

1 an image of records and documents related to who-is
2 information. As I understand what the plaintiffs are
3 complaining about is historical information wasn't
4 provided, and I don't know whether it's been explained or
5 not, but it took me several days to figure out this who-is
6 information is a living thing. It's updated and changes,
7 and we have orders in place to make sure that doesn't
8 happen. But when we talked about this issue, it was we
9 need a snapshot of what this information is right now, and
10 that's what we agreed to image.

11 THE COURT: Has that been done?

12 MR. LURICH: This information, this Budgetnames,
13 what this is, is a display on a monitor, and it comes up
14 just like this. This isn't a computer forensic image like
15 we talked about doing. You hit print screen and print
16 this out. This is publicly available to anybody who wants
17 to access this information. Mr. MacPete can do this
18 today. What we provided him was the source information
19 for this data, and we gave it to him in two forms, and the
20 reason was you have heard a lot of talk about that there
21 was this origination date missing from the information.
22 Well, the way my client uses the who-is information and
23 the who-is information that my client sends to Iron
24 Mountain in accordance with its obligation doesn't include
25 the creation date or origin date. That's the way we

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1 imaged the file, the way it is. That's the way we use it,
2 and that's the way it's set up for us to access. We knew
3 from speaking with Mr. MacPete they wanted this origin
4 date. So my client had another program implemented that
5 included the origination date, and we provided that
6 information. A third-party company, Protegra, undertook
7 this and did it. So now they are saying we want
8 historical information, but that's not what was ordered.
9 I understand they want it. That's something different.

10 MR. MACPETE: Your Honor, may I approach?

11 THE COURT: Well, talk to me. At some point you
12 guys get beyond my meager capacity to understand.

13 MR. MACPETE: What I wanted to give you, your
14 Honor, is a copy of the preliminary injunction because I
15 disagree with Mr. Lurich about what was actually ordered.

16 THE COURT: Okay.

17 MR. MACPETE: Turn to the top of Page 3, your
18 Honor. Actually the bottom of Page 2 and top of Page 3.
19 It says "Defendant shall engage a third-party service to
20 create an image of all the defendants' documents and
21 records relating to who-is information or any domain names
22 that have been registered at Ondova."

23 THE COURT: The bottom of Page 2 has a Paragraph
24 2, correct.

25 MR. MACPETE: Correct, your Honor. Very last

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1 line.

2 THE COURT: Okay.

3 MR. MACPETE: "Defendant shall engage a third"
4 -- and Page 3, "third party service to create an image of
5 all the defendant's documents and records relating to
6 who-is information or any domain names that have been
7 registered at Ondova." It wasn't limited to this one
8 file. It's clear it's supposed to be all the documents
9 that relate to who-is. That includes the CSV text files.

10 THE COURT: If he's got them, he needs to give
11 them to the third-party imaging service, right.

12 MR. MACPETE: And the document that comes up
13 when you go to his web site, that's obviously a file. It
14 exists electronically, and it should have been imaged.
15 None of it has. So we haven't had full compliance with
16 this particular order. He has given us some, what he
17 wanted to give us, and not the other stuff, and I need the
18 historic text files. Remember, I said I needed three
19 things. The way to check if what he has provided is
20 accurate is to look at the historic snapshot as they went
21 out to the escrow companies, and my people can look at
22 that and figure out how many he deleted.

23 THE COURT: And that information is where?

24 MR. MACPETE: Electronically on his server
25 because he sends it every week to Iron Mountain.

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1 THE COURT: As another opportunity, can we pull
2 everything off his servers.

3 MR. MACPETE: I was going to suggest that, your
4 Honor, because since we're having such a problem with what
5 he wants to produce -- I'm not saying it's the lawyers.
6 He interprets the law as he wants to and that sort of
7 thing. I think we ought to image his computers and
8 servers and that way we don't have anymore monkey business
9 because it's all there and can't be deleted.

10 MR. LURICH: We can gift him the historic data
11 sent to Iron Mountain. That's not what I understood we
12 were asking for. With respect to this document, this
13 isn't information maintained in this form. I understood
14 Mr. MacPete was able to print this off the computer. They
15 have hit print screen and got this off. But my client
16 doesn't maintain information like this. My client
17 maintains the source information which we imaged and
18 provided.

19 THE COURT: I have had so many hearings lately
20 where we put things in a confidentiality order. Do we
21 have one in this case?

22 MR. MACPETE: Yes, sir.

23 THE COURT: You're going to image his servers,
24 the entire servers, whatever it is, and that way I don't
25 have to worry about arguing about it.

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1 MR. MACPETE: And that includes the computers as
2 well as the servers?

3 THE COURT: Whatever it is.

4 MR. KRAUSE: I understand doing that to preserve
5 the record, but that will have a lot of personal
6 information, personal financial information. What are we
7 doing with all of that?

8 THE COURT: Well, I will just tell you, this is
9 what they at the FBI and DEA when they are going to have
10 their wire taps. They minimize. So you are going to
11 minimize all personal information. If the FBI and DEA can
12 do it, you can do it. Any personal information gets
13 minimized which means it's blocked out. So if you see
14 something that looks personal, you block it out. But I
15 can't keep doing this. It gets way too complicated. If
16 you want me to, I can get a third party.

17 MR. KRAUSE: Who's doing the minimizing?

18 THE COURT: Be Mr. MacPete's people. If you
19 want me to, I can have somebody else.

20 MR. KRAUSE: I think at this point we would
21 rather foot the bill for a third party to do that, a
22 master or somebody.

23 THE COURT: Okay. You guys choose within the
24 next 48 hours. By noon -- say 4:00 on the 3rd all of Mr.
25 Baron and his company's servers and computers will be

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1 imaged, and you guys choose the third party to do it, and
2 then Mr. MacPete -- Yes.

3 MR. LURICH: The servers are remote servers.
4 They are not local, and I understand they are in more than
5 one place. So I think we probably would request of the
6 court to have this by at least Monday. I don't know that
7 we can coordinate all of those separate imagings.

8 THE COURT: Okay. 4:00 Monday the 6th. You
9 guys agree today to a third party to do all of this, and
10 Mr. MacPete will have access, and the third party can
11 minimize personal information.

12 MR. MACPETE: And that's at his cost.

13 THE COURT: His cost. The law firm will be
14 getting money that they can pay out of their funds and
15 make sure it gets done, and they will be putting money in
16 their trust account, and that goes against that. That way
17 I don't have any problem. I don't have any problem with
18 \$50,000. You've got everything. So you guys choose who's
19 going to be the third party. I wouldn't know. And if you
20 can't choose, talk to me.

21 MR. MACPETE: The last thing I need, your Honor,
22 remember we started with basically three things. I need
23 the CSV text files, the reports he relied on when he was
24 deciding what to delete, and I need the log-in codes, and
25 if I could have a specific date in time when I'm supposed

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1 to get that, and obviously it needs to be fairly quickly
2 because, remember, you only moved my deadline to Monday.

3 THE COURT: July 3 you get all the log-in codes.
4 I don't care what domain names are going to what
5 monetization companies, you just get them out.

6 MR. MACPETE: Can I have on July 3 the CSV text
7 files and the reports he relied on in deciding what to
8 delete? Those are the three pieces of information my
9 people need to --

10 MR. KRAUSE: The text file is part of this
11 global imaging.

12 THE COURT: Okay, you will get those on the 6th.

13 MR. MACPETE: I am going to get those literally
14 an hour before I'm supposed to have my list.

15 THE COURT: Explain that to me again.

16 MR. MACPETE: We need the CSV text files to
17 figure out whether we have a delete list, and under your
18 Honor's current order on the image --

19 THE COURT: Request I move some other deadlines
20 then? You know, I can't work miracles. I am dealing with
21 people that need some time, and if I am going to remote
22 servers, I have to take time.

23 MR. MACPETE: I don't need an image. These are
24 electronic files. He ought to be able to go and download
25 them on a CD right away.

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1 THE COURT: Every time you tell me that, it
2 doesn't work. You tell me that he doesn't give it to you.
3 So I'm telling you, you are telling me it should be easy
4 to do. The next thing is he doesn't know where it is. He
5 can't image it, can't find it.

6 MR. MACPETE: Can we actually see what he has to
7 say about that, your Honor? I'm willing to hear if
8 somehow we're all wrong about how easy it ought to be for
9 him to download that on a CD.

10 MR. LURICH: A suggestion, your Honor. We
11 provide these text files that have been sent to Iron
12 Mountain weekly, and with respect to the imaging, have the
13 imaging as a fail safe. Let's complete it. Give the
14 people more time to do it and they keep it. I don't want
15 it, and I don't want Mr. MacPete to have it unless there
16 is an issue of what's been produced, and then your Honor
17 can order that third-party company release that
18 information. But we'll get it done, but let's keep it
19 protected because I don't know what's on it.

20 THE COURT: Okay. We're all agreed, nothing,
21 absolutely nothing is going to be deleted from the servers
22 and the computers. Sip, zero, nothing is going to be
23 done. No confusion. Nothing deleted. No personal
24 information. No nothing. Have we reached an agreement on
25 this then that he's going to give you the stuff on the

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1 3rd? He'll give you on the 3rd and if you think it's
2 incomplete you can check it with what you get on the 6th.
3 MR. MACPETE: I'm okay with them taking longer
4 to get the things imaged as long as I get the things I
5 need on the 3rd. I don't agree I shouldn't get the image,
6 but if they need more time.

7 THE COURT: I have given them to the 6th.
8 MR. MACPETE: So the three things I'm getting on
9 the 3rd, I want absolute clarity: All the log-in codes
10 and passwords for all the companies at any time. Text
11 files he sent to Iron Mountain, historic ones. So that I
12 can backtrack his delete list. And all the reports or
13 recommendations or whatever he used to decide what domain
14 names to delete. And I'm getting all of that by July 3rd
15 at noon?

16 MR. KRAUSE: I guess the issue we may need to
17 clarify is the log-in codes we don't have. I don't know
18 how we're going to get those.

19 THE COURT: Why do you not have them?

20 MR. KRAUSE: They are names that other companies
21 were monetizing on our registrar that we don't have
22 control of, and I don't know if we can come up with a list
23 of those and figure out what everybody can do to get
24 those.

25 MR. MACPETE: I got a list of companies, your

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1 5:00. If we could have 5:00.

2 MR. MACPETE: 5:00 is fine and my clients
3 identified one further company. Sedo.

4 THE COURT: Okay. So you guys have to draft me
5 an amended preliminary injunction with these new dates,
6 and you are going to have to put in there the \$50,000
7 penalty per day.

8 MR. MACPETE: We will do that and file the
9 motion your Honor requested with respect to the previous
10 violations.

11 THE COURT: You may file that. I will hold that
12 in abeyance. If you can get this whole thing settled, I
13 will figure out where to go from there. But I want it
14 resolved. You owe me an order, Mr. Krause, on all the
15 money from all the monetization firms going into your
16 account. The money will go for your fees but will not be
17 distributed otherwise, except by order of the Court. And
18 if for any reason you are fired or released, then I will
19 determine where that money goes, but it will be -- it will
20 be the case that most of it will be a nonrefundable fee.

21 THE COURT: Do you wish to speak, Mr. Lurich?

22 MR. LURICH: Yes, your Honor, one last thing.
23 We have talked a lot about the documents that plaintiffs
24 need from the defendants. The order on expedited
25 discovery didn't address documents coming from plaintiffs

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1 Honor, that have monetized on the domain names that are at
2 issue here, and I can read that list into the record right
3 now. I'm not sure that's everything, but you know,
4 obviously he hasn't produced everything. So what I'm
5 worried about -- What I hear Mr. Krause saying is there
6 are these 500 third-party customers and maybe they have
7 their named parked somewhere and he doesn't have access to
8 them. Obviously, I don't think it's reasonable for them
9 to demand that information from third parties. That's not
10 what I'm looking for, but I'm worried it's going to be
11 used as an excuse to hide information he doesn't want
12 produced. So let me tell you the companies that have
13 monetized on our names, the ones at issue here:
14 Above.com, Domainsponsor, eNom, Fabulous.com, Hitfarm,
15 Name Drive. And obviously, we have already talked about
16 Park.com.

17 THE COURT: What was the third one?

18 MR. MACPETE: eNom.

19 THE COURT: E-n-o-m?

20 MR. MACPETE: Yes.

21 THE COURT: Okay. Mr. Krause, those need to be
22 produced, the passwords and so forth, pass codes, by noon
23 on the 3rd or a detailed explanation needs to be given as
24 to why they can't be produced.

25 MR. KRAUSE: Okay. I think we were hoping to

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1 to defendants, and in reviewing the transcript I
2 understand the plaintiffs were agreeing to produce a bunch
3 of documents that haven't been produced. So we need all
4 of that information as well so that we can all get on the
5 same --

6 MR. MACPETE: No problem giving it to them.

7 THE COURT: I've looked at the matters you
8 presented to me in camera. Those are not going to be
9 produced. Mr. Frye has them, and they will be returned to
10 you. I have looked at them, and I don't find them to be
11 appropriate or relevant for production in this case.

12 MR. LURICH: Can we get a date certain that
13 plaintiffs will produce their information?

14 THE COURT: Mr. MacPete.

15 MR. MACPETE: I'm happy to do it by Friday at
16 5:00.

17 THE COURT: 5:00 the 3rd. Okay. Now, I want
18 this transcript ordered and paid for by the defendants.
19 So we will have that available for us, but it will also be
20 supplemented by the orders I sign. And if there is any
21 disagreement between what we have said here today and what
22 the order says, we'll go by the written order, but you
23 will have the transcript that the good court reporter will
24 have available for you. But this will be at the expense
25 of the defendant, not the plaintiff.

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1 Now, my goal here is to get this over. You
 2 know, it's just been going on way too long and in way too
 3 many courts. So my goal is to get it over. The
 4 plaintiffs have their share of the domain names and
 5 Mr. Baron keep his share of domain names and you all go
 6 about your life. And that's my goal. There should be no
 7 reason why that can't be done. No reason whatsoever.
 8 Then Mr. Baron is out from under my jurisdiction, and he
 9 can go do his business how he wishes, and the plaintiffs
 10 can do their business as they wish. But I'm deadly
 11 serious. If we don't get it done, it's going to cost I
 12 think Mr. Baron lots and lots and lots of money, and I do
 13 think that I'm dealing with about five million dollars
 14 here, and I think that would be an appropriate starting
 15 point for a contempt if this thing doesn't get done. And
 16 so you know if we don't want to get it done, then it will
 17 cost lots of money. If we do get it done, you all can go
 18 about your business, and Mr. Baron can keep his money, and
 19 the plaintiffs can keep their money, and people can go
 20 have a good life. But to leave this thing pending in five
 21 jurisdictions with lawyers running around trying to do
 22 things, you know, every day is just not going to work. So
 23 you all just need to be rid of each other, and it needs to
 24 be over, and you need to go and have a good life. You are
 25 not going to have a good 4th; it's clear. But your

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1 would think the parties would want to sit down and talk
 2 about not only how to resolve the split, the divorce, but
 3 how to resolve the rest of their issues.

4 MR. MACPETE: And we're willing to do that, your
 5 Honor.

6 THE COURT: In fact, I may send you to a
 7 mediator if you don't do it.

8 MR. MACPETE: That would be great, your Honor.
 9 Last thing is with respect to extension of the redemption
 10 grace period to VeriSign, we would ask the Court if I
 11 could submit a separate order just about that subject so
 12 that we can give it to VeriSign and say here is the order.

13 THE COURT: You may. Run it by Mr. Krause and
 14 Mr. Lurich.

15 MR. MACPETE: I will do that. We appreciate
 16 your time.

17 THE COURT: This ought to be in the essentials
 18 fairly simple to do, and let's get it done, and if you
 19 want to talk about damages, you are going to have to
 20 mediate this case for about ten weeks before you come back
 21 to me, just to let you know that.

22 MR. MACPETE: We have a lot of experience with
 23 mediating for longer than that with the defendants. But
 24 we didn't ultimately get a deal. So anyway, thank you.

25 THE COURT: Mr. Lurich.

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1 Independence Day for both sides could be coming shortly,
 2 and you will be independent of me.

3 MR. MACPETE: Your Honor, we appreciate the
 4 Court's help in essentially effectuating the split of
 5 these two parties. I would not want to mislead the Court
 6 that we have other causes of action because we have been
 7 damaged by the defendant's failure to comply with the
 8 settlement agreement. So I don't think the case ends when
 9 we get the split, but that obviously goes a long way
 10 towards getting what we need done.

11 THE COURT: Let me tell you, the other cases are
 12 residing in other courts, and I may let other courts
 13 handle the damages issues. I am going to get this done.
 14 I am going to get the parties separated and on about their
 15 lives, and you guys can litigate the rest of your lives if
 16 you wish to. And we have a fine state judge in Judge
 17 Hoffman sitting over there on top of this case.

18 MR. MACPETE: The underlying cases have been
 19 settled. So the damages on the breach come out of the
 20 settlement in this court. There are other issues, but
 21 obviously the big one you have identified is, first, we
 22 need to get separated, and we can figure out what happens
 23 after the smoke clears.

24 THE COURT: You know, at some point you don't
 25 want to be crazy about the litigation. At some point I

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1 MR. LURICH: Thank you, Judge.

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CERTIFICATION

I, Cassidi L. Casey, certify that during the proceedings of the foregoing-styled and -numbered cause, I was the official reporter and took in stenotypy such proceedings and have transcribed the same as shown by the above and foregoing pages 1 through 88 and that said transcript is true and correct.

I further certify that the transcript fees and format comply with those prescribed by the court and the Judicial Conference of the United States.

s/Cassidi L. Casey

CASSIDI L. CASEY
UNITED STATES DISTRICT REPORTER
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION
CSR NUMBER 1703

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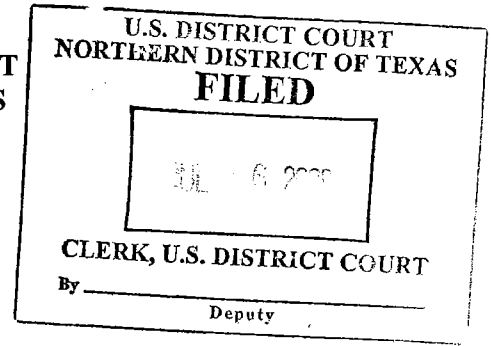
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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



NETSPHERE, INC., et al.,

Plaintiffs,

vs.

JEFFREY BARON, et al.,

Defendants.

§
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CIVIL ACTION NO.
3-09CV0988-F

AMENDMENT TO PRELIMINARY INJUNCTION

Having considered all arguments of counsel at a hearing on July 1, 2009, the Court hereby amends and supplements its Preliminary Injunction issued in the above-entitled matter on June 26, 2009 as follows:

Paragraph (2) is amended to delete the date "July 9, 2009" in both places it appears in the first sentence and insert in its place the date "July 15, 2009."

Paragraph (4) is amended to delete the date "July 2, 2009" in the second sentence and insert in its place the date "July 3, 2009" and to delete the date "July 3, 2009" in the third sentence and insert in its place the date "July 6, 2009."

Paragraph (5)(a) is amended to delete the date "July 1, 2009" and insert in its place the date "July 7, 2009."

Paragraph (5)(b) is amended to delete the date "July 2, 2009" and insert in its place the date "July 8, 2009."

Paragraph (5)(c) is amended to delete the date "July 2, 2009" and insert in its place the date "July 8, 2009."

EXHIBIT H

Paragraph (5)(d) is amended to delete the date "July 2, 2009" and insert in its place the date "July 8, 2009."

Paragraph (5)(e) is amended to delete the date "July 1, 2009" and insert in its place the date "July 10, 2009" and to delete the date "July 7, 2009" and insert in its place the date "July 15, 2009."

Paragraph (6) is amended to delete the date "July 2, 2009" in the third sentence and insert in its place the date "July 6, 2009" and to delete the phrase "50% to the Defendants' designees" in the third sentence and insert in its place the phrase "50% to the trust account of Friedman & Feiger on behalf of Defendants." Paragraph (6) is further amended to delete the date "July 8, 2009" in the fourth sentence and insert in its place the date "July 13, 2009." The following sentences are to be added immediately following the third sentence in Paragraph (6): This Court finds that certain funds have been interpled into the underlying state court action. Accordingly, this Court orders that the attorneys' fees of the Intervenor are to be paid from those funds and the balance of those funds shall be distributed 50% to the Netsphere Parties and 50% to the trust account of Friedman & Feiger on behalf of Defendants. This Court shall later determine against which party the Intervenor's attorneys' fees are to be taxed as costs. The funds deposited into the trust account of Friedman & Feiger pursuant to this Order are to be held until further order of this Court, except that Defendants' counsel may apply the funds on deposit to their outstanding invoices for legal services to Defendants. This Court desires that Friedman & Feiger stay in this case as Defendants' counsel considering the numerous times that Defendants have replaced their lawyers over the course of this case and in the underlying cases. This Court is concerned that a change in counsel might be for the purpose of delay and in an attempt to impede the judicial process. The Court finds that Friedman & Feiger's continued representation is necessary to

(13) Defendants shall produce any and all data, records, reports or recommendations that were reviewed or specifically used or relied upon by Defendants to determine which domain names would be deleted or allowed to expire after April 26, 2009.

(14) Defendants shall produce all documents required by paragraphs (11)-(13) of this Order by Monday July 6, 2009 at 5 p.m. CST at the office of Plaintiffs' counsel. Defendants shall produce all documents in electronic form, except documents that have only ever existed in tangible form.

(15) Defendants are prohibited from deleting, altering or modifying in any way the files on any of their computers or servers prior to those computers and servers being imaged as ordered below. Defendants at their sole cost shall engage a third party forensic document imaging service agreed upon by Plaintiffs to create an image of all Defendants' computers and servers, including any deleted files (which shall be recovered prior to imaging). Personal information of Jeffrey Barron (which is defined solely as personal photos, purely social communications and personal financial information), attorney-client privileged information, and proprietary source code shall be minimized by the agreed-upon third party forensic document imaging service company prior to production to Plaintiffs' counsel. A detailed privilege log concerning the minimized information shall be produced to Plaintiffs' counsel by Defendants by 5 p.m. on July 16, 2009. The detailed privilege log shall include the date of each document/file; the type of each document/file and length; the author and all recipients of each document/file; general subject matter of each document/file; privilege asserted for each document/file; and an explanation as to why the privilege is applicable to each document/file with enough specificity to allow Plaintiffs to determine whether to object to the privilege asserted. A copy of the imaging ordered herein shall be surrendered to Plaintiffs' counsel by 5 p.m. CST on July 6, 2009. All

“Defendants’ computers and servers” shall mean any computer, server or other data storage device used by Defendants or containing any of Defendants documents or files regardless of the legal ownership of the computer, server or other data storage device. The parties may agree by noon on July 3, 2009 upon the appointment of a Special Master (at Defendants’ sole cost) to receive production of proprietary source code, if any, owned by Defendants. By 5 p.m. CST on July 6, 2009, if a Special Master is retained, Defendants may submit only the proprietary source code to the Special Master. By 5 p.m. CST on July 6, 2009, Defendants shall submit a written statement to Plaintiffs’ counsel describing the nature and purpose of the proprietary source code in sufficient detail so as to permit Plaintiffs’ counsel to evaluate whether such source code is relevant or likely to lead to the discovery of relevant evidence. With respect to any source code submitted, the Special Master shall determine by 5 p.m. on July 10, 2009, whether such source code should be produced to Plaintiffs’ counsel under a highly confidential designation based upon whether such source code is relevant or likely to lead to the discovery of relevant evidence. The definition of source code is strictly limited to a collection of statements or declarations in computer programming language and does not include an executable file or any results from the execution of the collections of statements or declarations in computer programming language. The submission of source code to the Special Master shall not in any way delay the surrender of the image(s) of Defendants’ computers and servers to Plaintiffs’ counsel as ordered above.

(16) If Defendants fail to comply with any provision of the Preliminary Injunction as amended or any other Order of this Court during a business day, then for each provision violated, Defendants shall pay a fine in the amount of fifty thousand dollars (\$50,000 US) to be wired to the trust account of Plaintiffs’ counsel within 24 hours of said violation. A new fifty thousand dollar fine shall be paid for each business day Defendants remain in violation and for each

separate violation of the Preliminary Injunction as amended or any other Order of this Court. For clarity, a violation of two provisions for three business days would result in a total fine of \$300,000.00. The foregoing penalties shall not apply to any non-compliance with this Court's orders prior to July 1, 2009, which will be addressed by this Court after receipt of Plaintiffs' Motion for Contempt, and shall not apply to any failure to comply with Paragraph (5)(a) of the Preliminary Injunction as amended. Any funds transferred to Plaintiffs' counsel under this provision shall be held in trust until such time as the Court determines the appropriate sanction/contempt penalty for such violation(s).

(17) Defendants shall immediately order and pay for transcript of the July 1, 2009 hearing.

IT IS SO ORDERED.

DATED: July 6th, 2009



THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT JUDGE

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DEFENDANTS ARE IN CONTEMPT

Defendants have clearly and blatantly violated this Court's Orders, despite clear warnings and predetermined sanctions set forth by this Court for any such behavior. "A party failing to obey discovery orders ... is subject to a variety of sanctions, including the entry of default judgment." *Federal Maritime Com'n v. South Carolina State Ports Authority*, 535 U.S. 743, 758 (2002). Rule 37(b)(2) provides that if a party or a party's officer, director, or managing agent "fails to obey an order to provide or permit discovery . . . the court where the action is pending may issue further just orders. They may include the following: (i) directing that . . . designated facts be taken as established for purposes of the action. . . (ii) prohibiting the disobedient party from supporting or opposing designated claims or defenses, or from introducing designated matters in evidence; . . . (vi) rendering a default judgment against the disobedient party; and (vii) treating as contempt of court the failure to obey any order. . . ". Rule Civ. Proc. R. 37(b)(2). A movant in a civil contempt proceeding bears the burden of establishing by clear and convincing evidence 1) that a court order was in effect, 2) that the order required certain conduct by the [Defendants], and 3) that the [Defendants] failed to comply with the court's order." *Whitcraft v. Brown*, 2009 U.S. App. LEXIS 11740 (5th Cir. Tex. May 29, 2009); *citing, Martin v. Trinity Indus., Inc.*, 959 F.2d 45, 47 (5th Cir. 1992). As set forth below the Plaintiffs clearly meet their burden of establishing that the Defendants are in contempt of this Court's Orders.

ARGUMENT

A. Factual Background

Concerned about the potential deletion of valuable domain names and the possible spoliation of evidence, the Plaintiffs sought a temporary restraining order ("TRO") from this Court. The Court issued a TRO on June 12, 2009 which included, at the request of the

Defendants, an order that the parties engage in expedited discovery on three days notice, including the depositions of the parties and the production of documents. *See* Docket No. 19. Despite the fact that it was the Defendants who sought the expedited discovery on three days notice, they failed to properly respond to Plaintiff's discovery requests, timely served under the provisions of the TRO. As this Court has already found, Plaintiff timely served Notices of Deposition Duces Tecum for Defendants Baron and Ondova on June 15, 2009, and "Defendant Baron failed and refused to provide all documents responsive to Plaintiffs' requests." Order on Expedited Discovery ("Order"), Docket No. 19 at page 1. The Order was entered as a result of this Court's finding of Defendants failure to comply and, as set forth in detail below, there are multiple violations of this Order by the Defendants.

In addition to the failure to comply with the Court's Order, Defendants have failed to comply with the Court's Preliminary Injunction. On June 26, 2009, this Court entered a Preliminary Injunction mandating performance of certain provisions of the settlement agreement between the parties (the "Memorandum of Understanding"). Docket No. 22. Defendants consented to that Preliminary Injunction. The parties obligations under the Preliminary Injunction included the division of the domain names registered by the Netsphere Parties (the "Netsphere Portfolio"); the transfer to the Netsphere Parties of their portion of the domain names; the distribution of certain monetization revenues; and, that Defendants engage a third party service to create an image of all Defendants' WHOIS-related documents as a result of the Defendants' prior failure to produce those documents in connection with the noticed depositions. As set forth below, Defendants failed to timely comply with provisions of the Preliminary Injunction.

Finally, Defendants have also failed to comply with the Amendment to the Preliminary Injunction. On July 6, 2009, this Court entered the Amendment to Preliminary Injunction ("Amendment") amending the Preliminary Injunction of June 26, 2009. Docket No. 30. The Amendment, among other things, moved the Netsphere Parties' deadline to identify the nameserver(s) from July 2, 2009 to July 3, 2009; and moved the deadline for Ondova to point the Netsphere Portfolio to said identified nameserver(s) from July 3, 2009 to July 6, 2009. Docket No. 30, at 1.

As detailed below, Defendant has failed to comply with certain provisions of the Order, the Preliminary Injunction, and the Amendment, despite clear and direct warnings from this Court against violating its authority. This blatant disregard for this Court's authority, and ignoring the mandatory orders and injunctions entered by this Court against the parties in this matter warrants severe sanctions.

B. Defendants Violations of the Order

The first numbered paragraph of the Order provides in pertinent part that the "Defendants shall produce all WHOIS records for every domain name registered with Ondova to Plaintiff's in electronic form..." Docket No. 19. The sixth numbered paragraph sets forth the time and date by which Defendants must comply with the first four numbered paragraphs—to wit, 4 p.m. Tuesday June 23, 2009. Id. Despite this clear direction, Defendants failed to comply. *See* MacPete Dec. at ¶ 4, Appendix p. 2 ("App."). Shockingly, what Defendants did eventually produce after the close of business on June 23rd was an altered file that had had critical information deleted from it prior to production. Id. at 5, App. p. 2. The file provided by the Defendants' containing the WHOIS database had the creation date field (column No. 5) deleted from it, thereby eliminating the creation date from every single record. Id. App. p. 2. There is no question that the creation

date is part of the WHOIS records maintained by Ondova as evidenced by a printout of the WHOIS information for any domain name registered at Ondova – the creation date is the first piece of information listed. *See MacPete Dec. at 5, App. p. 2.* The creation date, as previously stated to the Court, is a crucial piece of information needed to sort out which domain names registered at Ondova are subject to the Settlement Agreement. Defendants' alteration of a record prior to its production in discovery is beyond the bounds of permissible behavior in discovery and is an attack on our very system itself. Our civil discovery system is predicated on the idea that parties will act honorably to fulfill their obligations to produce documents as requested in unaltered form and regardless of whether those documents help or harm the parties' cause. Defendants have shattered that important trust. It is imperative to preserve the integrity of that system, that violations of such trust be dealt with swiftly and with overwhelming force. The need for a severe penalty to establish appropriate boundaries of behavior is particularly critical here as a result of: (i) Defendants' history of inappropriate self help; (ii) Defendants' continuing non-compliance with other orders as set forth below; and (iii) the particularly callous disregard Defendants have shown for the rules and this Court given that Defendant altered the WHOIS records after Judge Lynn specifically and clearly ordered that the Defendant was "prohibited from altering or modifying in any way the 'WHOIS' information" and stated that she would "deal with [any violation of the TRO] as severely as the law would allow." TRO at ¶ (4) and Transcript of TRO hearing at 41:14-16 (emphasis added). Any possible question concerning whether Defendants willfully violated the TRO and the Order by altering the WHOIS database that was produced to Plaintiffs was eliminated as a result of the production of the image of the WHOIS-related documents created by the third party company pursuant to the Preliminary Injunction. That image contained the altered database with 47 fields (missing the creation date

field and the domain id field) and next to it, the unaltered database containing 49 fields, including the creation date field and the domain id field. Aggarwal Dec. at 2, App. p. 39.

The second numbered paragraph of the Order provides that the "Defendants shall produce all documents related to the monetization of all of the domain names registered at Ondova." Docket No. 19. These documents were also ordered to be produced by 4pm on June 23, 2009. Id. at ¶ (6). Again, Defendants failed to comply. Defendants have not produced necessary and basic documents such as email correspondence, checks or other payment records from the monetization companies, or even the contracts Defendants had with the monetization companies. See MacPete Dec. at ¶ 6, App. p. 2. Despite repeated oral requests from Plaintiffs' counsel, none of these documents have ever been produced.¹

The third numbered paragraph of the Order provides that "Defendants shall produce the list of all domain names registered at Ondova that they deleted or allowed to expire or transferred after April 26, 2009..." Docket No. 19. The deadline was 4pm on June 23rd, 2009. Id. at ¶ (6). Yet again, Defendants failed to comply. Defendants failed to produce a complete electronic list of the deleted, expired or transferred domain names by 4pm on June 23rd, 2009. This was certainly not the first time. Defendants also failed to provide a list of the deleted expired or transferred domain names under oath as ordered in the TRO (TRO p. 3), and at the hearing on June 19th—which was ultimately reduced to writing in the Order. Defendants finally produced an unsworn electronic list purporting to be of all the deleted domain names on the afternoon of June 24th. However, on June 25th, Defendants' counsel indicated that the list produced the day before was not a complete list and would need to be supplemented. See MacPete Dec. at ¶ 7,

¹ Well after the deadline in the Order, and pursuant to specific provisions in the Amendment to the Preliminary Injunction, Defendants have produced a database file containing financial information about the deleted domain names and some of the passwords for monetization accounts.

App. p. 2. Accordingly, the Preliminary Injunction provided that Defendants' counsel would supplement the list by noon on June 26th under oath. Footnote 2 of the Preliminary Injunction, specifically noted that the fact that the list was being supplemented did not cure the Defendants' failure to produce the list electronically and under oath as required in the TRO and the Order on Expedited Discovery. On June 26th, Defendants finally produced the electronic list of the deleted names under oath.

On June 23rd, Defendants also failed to produce the records or financial reports related to the deleted domain names as required by the Order Docket No. 19 at ¶ 3. Despite repeated requests from Plaintiffs' counsel, Defendants did not produce the financial records for the deleted domain names. *See MacPete Dec. at ¶ 8, App. p. 3.* Because the information was desperately needed by Plaintiffs to determine which deleted domain names should be undeleted (those with value), Plaintiffs asked this Court for help in the form of yet another order directing the production. At the hearing on July 1st, this Court again ordered that Defendants should produce all such records and required the production by July 3rd at 5 pm.² On July 3rd, although Defendants produced a password-protected Macintosh database file after 5:30 pm with the required information, Defendants 1) failed to identify the program needed to open the file and 2) failed to provide the password. As a result, Plaintiffs were unable to open the file on July 3rd and 4th, despite repeated efforts. On July 5th, Defendants' computer consultant finally was able to identify the correct program to open the file and later was able to secure the password for the file from Mr. Baron and produced it to Plaintiffs.

² At a subsequent telephone hearing, this Court modified the deadline for the production required by paragraph 13 of the Amendment to the Preliminary Injunction to July 6th from July 3rd.

The fourth numbered paragraph of the Order provides that "Defendants shall produce all documents responsive to Plaintiffs' request nos. 14-15 to Jeffrey Baron and Plaintiffs' request nos. 12-13 to Ondova Ltd." Docket No. 19. The requests referenced in the Order are as follows:

- 12/14 Produce any and all documents regarding communication between [you/Ondova] and any third party (excluding [] legal counsel) relating to the Memorandum of Understanding executed by you on April 26, 2009; and
- 13/15 Produce any and all documents regarding [your/Ondova's] performance or non-performance of the Memorandum of Understanding executed by you on April 26, 2009.

The categories of documents this Court ordered Defendants to produce necessarily would include the following:

- an email from Jerry Mason (Ondova's general counsel) to John MacPete discussing the Memorandum of Understanding (stating "This case is settled."); and
- an email from Jerry Mason to Frank Herrera providing "auth" codes for domain names to be transferred to third-party trademark owners as required by paragraph 7 of the Memorandum of Understanding.
App. p. 6-9.

However, Defendants did not, and have not produced these or any other emails or any other responsive documents, despite repeated requests from Plaintiffs' counsel. See MacPete Dec. at ¶ 9-10, App. p. 3.

Based upon Defendants multiple and continuing failure to produce the documents as required by the Order (and TRO), and other gamesmanship by the Defendants, this Court could render a default judgment against the Defendants. It is well-settled that entry of a default judgment is an appropriate sanction when the disobedient party has failed to comply with a court order because of willfulness, bad faith, or other fault on its part, as opposed to its inability to comply with the court's order. *Technical Chemical Co. v. IG-LO Products Corp.*, 812 F.2d 222, 224 (5th Cir. 1987), citing *Societe Internationale v. Rogers*, 357 U.S. 197, 212, 78 S.Ct. 1087,

1095, 2 L.Ed.2d 1255 (1958); *Batson v. Neal Spelce Associates, Inc.*, 765 F.2d 511, 514 (5th Cir. 1985). For the Court to award a default judgment as a discovery sanction, two criteria must be met: "First, the penalized party's discovery violation must be willful." *United States v. 49,000 Currency*, 330 F.3d 371, 376 (5th Cir. 2003). "Also, the drastic measure is only to be employed where a lesser sanction would not substantially achieve the desired deterrent effect." *Id.*

In the instant case, judgment by default would be warranted. As set forth above, the Defendants' repeated and continuous disobedience has been willful. Without any justification, the Defendants have failed to comply with Plaintiffs' written document requests, the TRO and the Order (among other Court Orders). In fact, the Defendants have attempted to perpetrate a fraud on the Plaintiffs and this Court by the alteration of discovery that it did produce (i.e. the WHOIS information). Courts in the Fifth Circuit have granted default judgments in less egregious circumstances. (See e.g. *Technical Chemical Co. v. Ig-Lo Products Corp.* 812 F. 2d 222 (5th Cir. 1987); where a default judgment was upheld against a party appearing *pro se* and who, without a plausible excuse, twice disobeyed explicit court orders to appear for his deposition; and *McLeod, Alezander, Powel & Appfel, P.C. v. Quarles*, 894 F.2d 1482 (5th Cir. 1990); where default judgment was upheld against defendant where he failed to respond to written discovery requests and then failed to comply with an Order from the magistrate ordering specific compliance).

Nevertheless, Plaintiffs are not asking for a default judgment at this time. Specifically, this Court has already ordered that a violation of any provision of any Order of this Court will result in penalties of \$50,000.00 per day until cured. Docket No. 30. Although the Defendants have breached numerous provisions of several of this Court's Orders, and demand has been made upon the Defendants for payment, no penalties have been paid by the Defendants

and they continue to be in violation of numerous Orders. *See MacPete Dec. at ¶ 11, App. p. 3.* Accordingly, Plaintiffs are requesting that this Court enforce its order for monetary penalties and to grant the following evidentiary sanctions:

- A. Prohibiting the Defendants from introducing any evidence opposing Plaintiffs' claims for damages (for Defendants failure to provide accurate accountings, all documents relating to the monetization of the Manila Portfolio as well as all valid access codes to the accounts at parking companies so that damages could be accurately calculated);
- B. Prohibiting the Defendants from introducing any evidence refuting Plaintiffs' definition of the "Manila Portfolio" (for Defendants violation of the Orders by altering the WHOIS information);
- C. Directing the fact that the Settlement Agreement is a full, final and binding agreement be taken as established for purposes of this action (for Defendants' failure to provide any documents relating to their performance or non-performance of the Settlement Agreement); and
- D. Deeming Jeffrey Baron as the alter ego of Ondova Company Limited. *See for example Compaq Computer Corp. v. Ergonome, Inc.*, 387 F.3d 403 (5th Cir. 2004)(deeming book's author to be alter ego of publisher as sanction for repeated discovery violations).

C. Defendants Violations of the Preliminary Injunction and Amendment

This Court entered a Preliminary Injunction in this matter on June 26, 2009. Docket No. 22. An Amendment to Preliminary Injunction ("Amendment") was filed on July 6, 2009. Docket No. 30. Defendants consented to the Preliminary Injunction. Unfortunately, despite concessions, extensions, and continued patience by both the Court and the Plaintiff, Defendants

have chosen to test this Court by failing to comply with their obligations yet again. And, this Court explicitly warned the Defendant, in person, that continued failure to abide by this Court's orders would result in a penalty of \$50,000 per day, and later reiterated this warning in the Amendment to Preliminary Injunction. Docket No. 30 at ¶ 15.

The Preliminary Injunction provides in part that: "[b]y 5 p.m. on July 2, 2009, the Netsphere Parties shall identify a set of nameserver(s) to which Ondova shall point the Netsphere Portfolio. By 5 p.m. on July 3, 2009, Defendants shall point the Netsphere Portfolio to the set of nameserver(s) identified by the Netsphere Parties." Docket No. 22 at ¶ 4. These dates were modified under the Amendment and were changed to July 3rd and July 6th respectively. Plaintiffs identified the nameserver(s) to which Ondova was required to point the Netsphere Portfolio on July 3, 2009 *See MacPete Dec. at ¶ 12*. Given this information, the Defendants failed to point the entire Netsphere Portfolio to the identified nameserver(s) by 5 p.m. on July 6, 2009, in violation of the Amendment. In an attempt to be as reasonable as possible, Plaintiffs (through their counsel) orally agreed that substantial compliance would be acceptable *if* Defendants fully and completely complied on the following day (July 7, 2009). *See MacPete Dec. at ¶ 14, App. p. 4*. Even then, the Defendants failed to fully and completely comply on the following day. *Id.* Approximately 4,840 domain names remained out of compliance, and did not point to the identified nameserver until one week later, after 4 p.m. CST on July 13, 2009. *See Aggarwal Dec. at 4, App. p. 40*.

The Amendment further provides in pertinent part that "Defendants shall provide the on-line logins/access codes/passwords for all monetization accounts for any domain names registered at Ondova at any time, specifically including but not limited to, the on-line login/access codes/passwords for [the monetization companies] or provide a detailed explanation

to why Defendants are unable to provide such information." Docket No. 30 ¶ 11. Pursuant to the Amendment these access codes are to be provided to the Netsphere Parties no later than July 6, 2009 at 5 p.m. Id. at ¶ 14.

Here again, the Defendants failed to comply. See MacPete Dec. at ¶ 15, App. p. 4. Specifically, the Plaintiffs have determined that the Defendants have failed to provide any on-line logins/access codes/passwords for at least the Sendori and Firstlook accounts. See Aggarwal Dec. at ¶ 5, App. p. 40. (attaching documents reflecting that: Sendori is a monetization company; that the domain name <Bob-interactive.com> is parked with Sendori; and that Ondova is the registrar for the domain name <Bob-interactive.com> and stating that access codes to at least one of the Firstlook accounts was not provided).

It should be also noted that invalid usernames and passwords for three other accounts were initially provided, but valid access codes to said accounts (i.e. Parked.com, Sedo, and DomainSponsor.com) were eventually provided on July 14, 2009. See Aggarwal Dec. at ¶ 6, App. p. 40. (attaching documents reflecting the results when Plaintiffs attempted to use the invalid usernames and passwords initially provided by the Defendants to access Parked.com, Sedo and DomainSponsor.com).

D. Conclusion and Calculations

This Court has specifically warned the Defendant, both verbally in person, and in various documents, that disregard for this Court's orders and authority will not be tolerated. For example, the Amendment to Preliminary Injunction provides that: if "Defendants fail to comply with any provision of the Preliminary Injunction as amended or any other Order of this Court during a business day, then for each provision violated, Defendants shall pay a fine in the amount of fifty thousand dollars (\$50,000 US) to be wired to the trust account of Plaintiffs' counsel

within 24 hours of said violation. A new fifty thousand dollar fine shall be paid for each business day Defendants remain in violation and for each separate violation of the Preliminary Injunction as amended or any other Order of this Court." Docket No. 30 at ¶ 16.

The Defendants violated the Amendment by failing to pay the fine in the amount of fifty thousand dollars (\$50,000 US), per provision violated, within 24 hours of said violations. Pursuant to the Amendment, the Defendants are required to pay:

- a. \$50,000 per business day for violating the fourth numbered paragraph of the Preliminary Injunction (pointing Netsphere Portfolio to the nameserver), commencing July 7, 2009 through July 13, 2009 (7 days x \$50,000 = 350,000.00).
- b. \$50,000 per business day for violating the eleventh numbered paragraph of the Amendment (access codes), commencing July 7, 2009 through July 21, 2009 (11 days x \$50,000 = 550,000.00).
- c. \$50,000.00 per business day for violating the sixteenth paragraph of the Amendment by failing to pay the fines above commencing July 7, 2009 through July 21, (11 days x \$50,000 = 550,000.00).

Therefore, as of close of business on July 21, 2009, the Defendants should have paid the sum of \$1,450,000.00 to the trust account of Plaintiffs' counsel. Fines continue to accrue at the daily (business days) rate of \$150,000.00 for the open violations. While the amount sought is significant, this Court specifically warned of contempt sanctions in the millions of dollars, and Defendant's counsel stated his belief that the domain name portfolio was worth tens of millions of dollars in profits annually. *See Transcript*, pp. 32 l. 1, App. p. 17; and pp. 108 l. 16, App. p. 36. **Nevertheless, Plaintiffs are not seeking imposition of the total amount of the fines**

required by the Amendment. Plaintiffs respectfully request that this Court award a contempt penalty in the amount of \$400,000, calculated as \$10,000 per day for the violation of paragraph 4 of the Preliminary Injunction and \$30,000 per day for the violation of paragraph 11 of the Amendment to the Preliminary Injunction and no additional penalty for the violation of paragraph 16 of the Amendment to the Preliminary Injunction.

The law is clear, this Court's Orders are clear, and Plaintiffs have met their burden for the relief requested. As a result, Defendants should be held in civil contempt for violating this Court's explicit Orders, should be required to immediately cure the violations; and should be required to pay the fines as set forth therein. Additionally, Defendants should be ordered to pay Plaintiffs' costs and attorneys' fees for having to bring this Motion. Plaintiffs believe that this is a fair, reasonable and conservative remedy, given that it is well within this Court's powers to include dispositive action as a sanction, or deem all contested facts admitted in Plaintiffs' favor. Plaintiff is not seeking such remedy yet, but simply a portion of the remedy already set forth by this Court.

WHEREFORE, based upon the foregoing, Plaintiffs respectfully pray that this Honorable Court issue an Order holding Defendants in contempt for failing to comply with this Court's Orders of June 26, 2009 and as amended on July 6, 2009, and require that the Defendants immediately cure each of the violations.

Plaintiffs further pray that this Honorable Court impose a \$400,000 (U.S.) fine for Defendants' violations and a per day fine of \$40,000 from the date of any order on this Motion until those violations are cured. Plaintiffs further pray that this Court sanction Defendants for their willful disregard of this Court's Orders and award Plaintiffs costs and attorneys' fees, and

such other relief as justice dictates and as permitted by statute, court rules and relevant case law for having to bring this Motion.

Dated: July 21, 2009

Respectfully submitted,

John W. MacPete
State Bar No. 00791156
Jason Mueller
State Bar No. 24047571
LOCKE LORD BISSELL &
LIDDELL LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
(214) 740-8662
(214) 740-8800 (Fax)

ATTORNEYS FOR PLAINTIFFS
MANILA INDUSTRIES, INC., NETSPHERE,
INC. and MUNISH KRISHAN

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that he conferred with counsel for Defendants regarding the relief requested in this Motion. Counsel for the Defendants indicated that this Motion is OPPOSED.

John MacPete

CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record have been served with a copy of the foregoing via electronic mail on June 21, 2009.

/s/ John MacPete
John MacPete

SUGGESTION OF BANKRUPTCY AND NOTICE OF STAY

TO: THE HONORABLE JUDGE OF SAID COURT:

NOW COMES, Ondova Limited Company (hereinafter referred to as "**Debtor**") and files this Suggestion of Bankruptcy and Notice of Stay and would respectfully show the Court the following:

1. On July 27, 2009, Debtor filed its Voluntary Petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, Case No. 09-34784-sgj-11 (the "**Voluntary Petition**").

2. Pursuant to Section 362 of the Bankruptcy Code, the filing of the Petition operates as a stay of:

- a. The commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other proceeding against the Debtor that was or could have been commenced before the commencement of the case under this Title, or to recover a claim against the Debtor that arose before the commencement of the case under this Title;
- b. The enforcement, against the Debtor or against property of the estate, of a judgment obtained before the commencement of the case under this Title;
- c. Any act to obtain possession of property of the estate or property from the estate;
- d. Any act to create, perfect, or enforce any lien against property of the estate;

- e. Any act to create, perfect, or enforce against property of the Debtor any lien to the extent that such lien secures a claim that arose before the commencement of the case under this Title, except to the extent provided in Section 362(b);
 - f. Any act to collect assets, or recover a claim against the Debtor that arose before the commencement of the case under this title;
 - g. The set off of any debt owing to the Debtor that arose before the commencement of the case under this Title against any claim against the Debtor; and
 - h. The commencement or continuation of a proceeding before the United States Tax Court concerning the Debtor.
3. As a result of the operation of the automatic stay, all parties are stayed from any further continuation of these proceedings until such time as the Bankruptcy Court may order otherwise.
4. Attached hereto and incorporated herein for all purposes as Exhibit "A" is a copy of the Voluntary Petition dated July 27, 2009, which further confirms the above stated facts.

WHEREFORE, PREMISES CONSIDERED, Debtor prays that this Court take notice of the Bankruptcy Stay and that further action be stayed and for such other and further relief as to which it may be justly entitled.

Dated this 27th day of July, 2009

Respectfully submitted,

WRIGHT GINSBERG BRUSILOW P.C.

By: /s/ E.P. Keiffer
E. P. Keiffer (SBN 11181700)

The Elm Place Building
1401 Elm Street, Suite 4750
Dallas, Texas 75202
(214) 651-6500 - telephone
(214) 744-2615 - facsimile

**PROPOSED ATTORNEY FOR ONDOVA
LIMITED COMPANY, DEBTOR**

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Suggestion of Bankruptcy and Notice of Stay was served via the U.S. District Court's electronic noticing system on July 27, 2009, and via first class U.S. Mail, postage pre-paid, on July 28, 2009, on the parties listed below:

Peter S. Vogel, Esq.
Gardere Wynne Sewell
1601 Elm Street, Suite 3000
Dallas, TX 75201-4761
Special Master

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**Attorney for Quantec, LLC, Iguana
Consulting, LLC, and Novo Point, LLC**

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Pro Se

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**Attorneys for Jeffrey Baron
and Ondova Limited Company**

Jeffrey H. Rasansky, Esq.
Robert Edward Wolf, Jr., Esq.
Rasansky Law Firm
2525 McKinnon, Suite 625
Dallas, Texas 75201
Pro Se

/s/ E.P. Keiffer
E.P. Keiffer

Exhibit "A"

United States Bankruptcy Court
Northern District of Texas

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): Ondova Limited Company	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): Compana, LLC, budgetnames.com	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): 75-2956804	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):
Street Address of Debtor (No. and Street, City, and State): 2200 Trinity Mills Road Carrollton, TX ZIP CODE 75006	Street Address of Joint Debtor (No. and Street, City, and State): ZIP CODE
County of Residence or of the Principal Place of Business: Dallas County	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): P. O. Box 111501 Carrollton, TX ZIP CODE 75006	Mailing Address of Joint Debtor (if different from street address): ZIP CODE

Location of Principal Assets of Business Debtor (if different from street address above): Dallas, Texas ZIP CODE		
<p>Type of Debtor (Form of Organization) (Check one box.)</p> <p><input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i></p> <p><input type="checkbox"/> Corporation (includes LLC and LLP)</p> <p><input type="checkbox"/> Partnership</p> <p><input checked="" type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)</p> <p>Limited Liability Company</p>	<p>Nature of Business (Check one box.)</p> <p><input type="checkbox"/> Health Care Business</p> <p><input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B)</p> <p><input type="checkbox"/> Railroad</p> <p><input type="checkbox"/> Stockbroker</p> <p><input type="checkbox"/> Commodity Broker</p> <p><input type="checkbox"/> Clearing Bank</p> <p><input checked="" type="checkbox"/> Other Internet Domain Registrar</p> <p>Tax-Exempt Entity (Check box, if applicable.)</p> <p><input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).</p>	<p>Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box.)</p> <p><input type="checkbox"/> Chapter 7</p> <p><input type="checkbox"/> Chapter 9</p> <p><input checked="" type="checkbox"/> Chapter 11</p> <p><input type="checkbox"/> Chapter 12</p> <p><input type="checkbox"/> Chapter 13</p> <p><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding</p> <p><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding</p> <hr/> <p>Nature of Debts (Check one box.)</p> <p><input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."</p> <p><input checked="" type="checkbox"/> Debts are primarily business debts.</p>

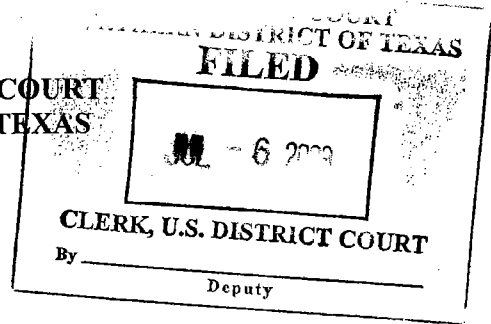
<p>Filing Fee (Check one box.)</p> <p><input checked="" type="checkbox"/> Full Filing Fee attached.</p> <p><input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.</p> <p><input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.</p>	<p>Chapter 11 Debtors</p> <p>Check one box:</p> <p><input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).</p> <p><input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).</p> <p>Check if:</p> <p><input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000.</p> <p>-----</p> <p>Check all applicable boxes:</p> <p><input type="checkbox"/> A plan is being filed with this petition.</p> <p><input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).</p>
---	---

<p>Statistical/Administrative Information</p> <p><input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors.</p> <p><input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.</p>	<p>THIS SPACE IS FOR COURT USE ONLY</p>
<p>Estimated Number of Creditors</p> <p><input type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input checked="" type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> Over 100,000</p>	
<p>Estimated Assets</p> <p><input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion</p>	
<p>Estimated Liabilities</p> <p><input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion</p>	

Voluntary Petition <i>(This page must be completed and filed in every case.)</i>		
Affidavit of Debtor Ondova Limited Company		
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)		
Location Where Filed:	Case Number:	Date Filed:
Location Where Filed:	Case Number:	Date Filed:
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet.)		
Name of Debtor:	Case Number:	Date Filed:
District: Northern District of Texas	Relationship:	Judge:
Exhibit A (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.) <input type="checkbox"/> Exhibit A is attached and made a part of this petition.	Exhibit B (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b). X _____ Signature of Attorney for Debtor(s) (Date)	
Exhibit C Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No.		
Exhibit D (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.) <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition. If this is a joint petition: <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.		
Information Regarding the Debtor - Venue (Check any applicable box.)		
<input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.		
<input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.		
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.		
Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes.)		
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.) <div style="text-align: right; margin-right: 100px;"> _____ (Name of landlord that obtained judgment) </div> <div style="text-align: right; margin-right: 100px;"> _____ (Address of landlord) </div>		
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and		
<input type="checkbox"/> Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.		
<input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).		

<p>B 1 (Official Form) 1 (1/08)</p> <p>Voluntary Petition <i>(This page must be completed and filed in every case.)</i></p>	<p style="text-align: right;">Page 3</p> <p>Name of Debtor(s): Ondova Limited Company</p>
Signatures	
<p style="text-align: center;">Signature(s) of Debtor(s) (Individual/Joint)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct. [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).</p> <p>I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X _____ Signature of Debtor</p> <p>X _____ Signature of Joint Debtor</p> <p>_____ Telephone Number (if not represented by attorney)</p> <p>_____ Date</p>	<p style="text-align: center;">Signature of a Foreign Representative</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.</p> <p>(Check only one box.)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.</p> <p><input type="checkbox"/> Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p>X _____ (Signature of Foreign Representative)</p> <p>_____ (Printed Name of Foreign Representative)</p> <p>_____ Date</p>
<p style="text-align: center;">Signature of Attorney*</p> <p>X <u>//s// E. P. Keiffer</u> Signature of Attorney for Debtor(s) <u>E. P. Keiffer</u> Printed Name of Attorney for Debtor(s) <u>Wright Ginsberg Brusilow P.C.</u> Firm Name <u>1401 Elm Street, Suite 4750</u> Address <u>Dallas, Texas 75202</u></p> <p>_____ <u>214.651.6517</u> Telephone Number <u>7/24/2009</u> Date</p> <p><small>*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.</small></p>	<p style="text-align: center;">Signature of Non-Attorney Bankruptcy Petition Preparer</p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.</p> <p>_____ Printed Name and title, if any, of Bankruptcy Petition Preparer</p> <p>_____ Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)</p> <p>_____ Address</p> <p>X _____ Date</p> <p>Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.</p> <p>Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.</p> <p>If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><i>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.</i></p>
<p style="text-align: center;">Signature of Debtor (Corporation/Partnership)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.</p> <p>The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X <u>//s// Jeff Baron</u> Signature of Authorized Individual <u>Jeff Baron, Trustee of Daystar Trust</u> Printed Name of Authorized Individual <u>Member/Manager of Ondova Limited Company</u> Title of Authorized Individual <u>7/24/2009</u> Date</p>	

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



NETSPHERE, INC., et al.,

Plaintiffs,

vs.

JEFFREY BARON, et al.,

Defendants.

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§

CIVIL ACTION NO.
3-09CV0988-F

ORDER EXTENDING REDEMPTION GRACE PERIOD

Having considered all arguments of counsel at a hearing on July 1, 2009, the Court hereby makes the following findings and orders:

- (1) This Court finds that, in certain unusual circumstances, it is possible for Verisign, Inc. to extend the "Redemption Grace Period" for a deleted domain name for a short period of time to be measured in days, not weeks or months.
- (2) This Court hereby orders Verisign, Inc. to extend the "Redemption Grace Period" for any names deleted from the registrar known as Ondova Limited Company d/b/a Compana LLC on or after June 9, 2009 until July 15, 2009.
- (3) This Court reaffirms its orders to Verisign in paragraphs 4 and (5)(e) of the Preliminary Injunction as amended.

IT IS SO ORDERED.

DATED: July 6th, 2009

Royal Furgeson

THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT JUDGE

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**ATTORNEYS FOR MANILA INDUSTRIES, INC.
AND NETSPHERE, INC.**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

**ONDOVA LIMITED COMPANY,

Debtor.**

§
§
§
§
§

**CASE NO. 09-34784-SGJ-11

CHAPTER 11**

**AFFIDAVIT OF JOHN W. MACPETE IN SUPPORT OF EMERGENCY MOTION FOR RELIEF FROM
AUTOMATIC STAY TO RESTORE AND TRANSFER DOMAIN NAMES PURSAUNT TO
PRELIMINARY INJUNCTION ORDER**

I, John W. MacPete, am over 21 years of age. I have never been convicted of a felony or crime involving moral turpitude, and am otherwise competent to make this Affidavit in Support of the Emergency Motion For Relief From Automatic Stay To Restore And Transfer Domain Names Pursuant to Preliminary Injunction Order. Unless otherwise indicated, I have personal knowledge of the facts set forth herein, and such facts are true and correct.

1. I am an Equity Partner in the law firm of Locke Lord Bissell & Liddell LLP and lead counsel for Manila Industries, Inc. and Netsphere, Inc. in this case. I am also lead counsel for the Netsphere Parties in *Netsphere v. Baron*, and in the Underlying Litigation and I have been their lead counsel for the entirety of those other cases. I am authorized by the Netsphere Parties to make this Affidavit on their behalf.

2. Based upon statements from Defendants' counsel, I concluded that in part, Defendants' buyer's remorse stemmed from their unhappiness with the fact that they were required to cover the cost of domain name renewal charges until the Manila Portfolio was divided up in accordance with the Settlement Agreement.

3. Defendants filed three emergency temporary restraining order motions in the underlying Texas state court seeking an order directing that the renewal costs for the domain names subject to the Settlement Agreement be paid with funds held by third parties. Each time, Judge Hoffman, the state court Judge, denied Defendants' motions.

4. The District Court (Judge Furgeson) found Defendants' well-established proclivity to change counsel for the purpose of delay and/or to get a second bite at the apple (as noted by Judge Hoffman in the underlying Texas state case)¹ created a concern for the District Court that a further "change in counsel might be for the purpose of delay and in an attempt to impede the judicial process." Accordingly, the District Court ordered in the Amendment that certain funds belonging to Defendants be paid to Friedman & Feiger and that such funds were non-refundable in the event that Defendants attempted to change counsel again. As a result of actions later taken by the general counsel of Debtor without consultation with Friedman & Feiger and in violation of an agreement between Friedman & Feiger and counsel for the Netsphere

¹ Judge Hoffman initially made the observation about the purpose of Defendants' multiple changes of counsel at a hearing in chambers on June 5, 2009 that was not recorded. Judge Hoffman repeated those views on the record at a subsequent hearing which was recorded. However, I have not received that transcript yet from the court reporter.

Parties, the District Court orally ordered that the Ondova general counsel was not to take any further actions relating to these matters without consultation and approval from Defendants' lead counsel Friedman & Feiger. Attached hereto as Exhibit A is a true and correct copy of the transcript from a hearing before the District Court on July 9, 2009.

5. I was informed by Tom Indelicarto, Vice President and General Counsel of Verisign that in response to the District Court's Order Extending Redemption Grace Period, Verisign extended the Redemption Grace Period for the deleted names selected by the Netsphere Parties to August 9, 2009.

6. The filing of the Debtor's Bankruptcy Case has already delayed the restoration of the deleted domain names because Debtor and Verisign have refused to restore the deleted domain names due to the pendency of the Bankruptcy Case and the automatic stay. I have had conversations with counsel for Verisign concerning the restore process and the automatic stay and I have been copied on emails between counsel for Debtor and counsel for Verisign in which counsel for Debtor has asserted that the automatic stay applies to the restore process mandated by the District Court's Preliminary Injunction.

7. In fact, the District Court has, with few exceptions, been holding weekly hearings concerning the progress of compliance with the Preliminary Injunction and Amendment. The District Court has held in person hearings on June 12th, June 19th, July 1st, July 9th, and July 28th. The District Court has held a number of telephonic hearings as well, including but not limited to on June 18th, June 25th, July 1st, July 6th, and July 14th. The District Court did not have a hearing of any kind during the week of July 20th because Judge Furgeson was on vacation. The District Court has also appointed a Special Master, Peter Vogel of Gardere Wynne to assist the Court with the numerous technical issues related to this case.

8. Defendants have had seven sets of counsel in the Underlying Litigation (which remains open, but is currently stayed pursuant to an agreement between the Federal District Court and the Texas state court), including in order: (1) Mateer & Schaffer; (2) Carrington Coleman Soleman & Blumenthal; (3) Bickel & Brewer; (4) The Beckham Group; (5) The Aldous Law Firm and the Rasansky Law Firm; (6) Fee Smith Sharp & Vitullo and (7) Friedman & Feiger. With the exception of the Beckham Group, all counsel are listed on Debtors' creditor matrix. *Netsphere v. Baron* was filed at about the time that the fifth set of lawyers withdrew, thus the sixth and seventh counsel are the only counsel that have appeared for Defendants in *Netsphere v. Baron*.

9. On Tuesday July 28, 2009, the District Court held an in-person hearing. The Court converted the hearing on the Motion for Contempt to a status conference. At the hearing, Debtor's general counsel admitted that he had retained Debtor's bankruptcy counsel to file this proceeding without consultation or approval

from Ondova's lead counsel, Friedman & Feiger. Bankruptcy counsel was retained without leave from the District Court in violation of its orders relating to counsel.


I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed at Newport Beach, California on August 3, 2009.

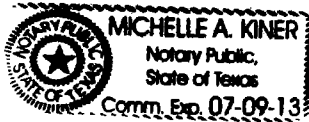

JOHN W. MACPETE

Subscribed and sworn to before me this 3rd day of August, 2009.

My commission expires:

July 9, 2013


Notary public in and for the
State of Texas



1 IN THE UNITED STATES DISTRICT COURT
 2 FOR THE NORTHERN DISTRICT OF TEXAS
 3 DALLAS DIVISION
 4 NETSPHERE, INC., ET AL. (Number 3: 09-CV-0988-F
 5 Plaintiff, ()
 6 vs. ()
 7 JEFFREY BARON, ET AL. ()
 8 Defendant. (July 9, 2009

9
 10 Status Conference
 11 Before the Honorable Royal Furgeson

12
 13 **A P P E A R A N C E S:**

14 For the Plaintiff: JOHN W. MACPETE
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 21 For the Defendant: JAMES KRAUSE
 22 RYAN LURICH
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 Reported by: Cassidi L. Casey
 1100 Commerce Street, Rm 15D6L
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 Phone: 214-354-3139

1

1 have this morning, there is going to be matters that are
 2 covered by the attorney-client privilege, and I was hoping
 3 to ask if we could go in chambers with these lawyers or do
 4 something that Mr. MacPete wouldn't be privy to while
 5 we're discussing these matters. That is our number one
 6 concern is that under Rule 24 which talks about
 7 prejudice — I think even some of the information they put
 8 in their intervention is potentially privileged, and I
 9 know this is not your floor. You may not have chambers on
 10 this floor. But that's a concern I have for this hearing
 11 as well.

12 THE COURT: Okay. Let's do this. I think we
 13 can cover at least some of this initially without
 14 discussing attorney-client matters. But maybe, Ms.
 15 Aldous, you or Mr. Rasinski can go to the podium and just
 16 tell me what was your representation of Mr. Baron and if
 17 there was any result that occurred from the litigation you
 18 were involved in. If you would do that, please.

19 MS. ALDOUS: Absolutely, your Honor. First of
 20 all, your Honor, I'd like to say that I am quite
 21 uncomfortable having to proceed in this fashion. In
 22 twenty-five years of practicing law, I have never had to
 23 take such an action. But both Mr. Rasinski and I really
 24 felt like we had no option in order to protect our
 25 attorneys' fees that we agreed to with Mr. Baron. To give

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1 PROCEEDINGS:
 2 THE COURT: Thank you. Good to see everyone.
 3 Mr. Frye, call the case.
 4 MR. FRYE: Netsphere, et al vs. Jeffrey Baron,
 5 et al., Cause Number 3: 09-CV-0988-F.
 6 THE COURT: Could I have announcements for
 7 plaintiff?
 8 MR. MACPETE: Yes, your Honor. John MacPete
 9 from Locke Lord for the plaintiffs.
 10 THE COURT: Thank you, Mr. MacPete.
 11 For the defendants.
 12 MR. LURICH: Ryan Lurich and Mr. Krause on
 13 behalf of the defendants.
 14 THE COURT: And for the intervenors.
 15 MS. ALDOUS: Charla Aldous and Mr. Rasanski.
 16 And we're the intervenors in this case.
 17 THE COURT: Thank you. I'm trying to keep a
 18 close eye on this case. And Ms. Aldous and Mr. Rasanski,
 19 you are coming in the case at a critical time, and I want
 20 to make sure I understand what the intervenor request is,
 21 what the view of the other parties are. As I say, this is
 22 a case that has caught my attention. So I'm paying close
 23 attention to it. So Mr. Krause.
 24 MR. KRAUSE: Could I — One concern we have
 25 about allowing the intervention here and the concern I

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1 the Court — I don't know if you are interested in a brief
 2 history of our involvement.
 3 THE COURT: Just a brief history of things that
 4 are public record.
 5 MS. ALDOUS: Yes, sir. We have an attorney
 6 contingency fee with Mr. Baron, and in camera I can
 7 explain to the Court exactly how that came to be. There
 8 were some issues, and it's been well known that originally
 9 after we signed the agreement we thought we were not going
 10 to be involved in the case, and there was disagreement
 11 about that. And we ultimately said, yes, we will proceed
 12 under our contingency fee agreement. We attended on
 13 behalf of Mr. Baron a twenty-two hour mediation which is
 14 the MOU which is the subject of this litigation which was
 15 executed by all the parties. Jeff and I were there with
 16 him for the entire twenty-two hours. There were some oral
 17 modifications — I would say there were agreements or Jeff
 18 asked us to do something in order to make sure that he
 19 could effectuate the MOU. Our goal after the mediation —
 20 MR. KRAUSE: Your Honor, we're well past the
 21 public record. These are privileged conversations
 22 MS. ALDOUS: I will get down to the —
 23 THE COURT: What I can do — Yes, Mr. MacPete.
 24 MR. MACPETE: With all due respect to Mr.
 25 Krause, to the respect there is a fee agreement there is

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CASSIDI L. CASEY, CSR, 214-354-3139



1 two lawsuits. The privilege is essentially moot with
2 respect to the lawyers and clients they are having the fee
3 dispute on. So Mr. Krause's contention these are
4 privileged and protected from me and the rest of the
5 public is in error.

6 MR. KRAUSE: Your, the law on that is it's
7 waived, and with respect to a dispute between the lawyer
8 and client, it doesn't mean that everybody else that's
9 curious gets to eavesdrop on it.

10 MS. ALDOUS: I can cut to the chase, your
11 Honor.

12 THE COURT: Let's do this. We'll take a recess,
13 Mr. MacPete. For making sure I understand the situation,
14 I am going to excuse you, and I'll talk to the lawyers
15 here, and then I'll ask you to come back in.

16 We'll be right back in touch, Mr. MacPete. So
17 don't leave.

18 THE COURT: And Cass, we'll go off the record at
19 this point.

20 (Conference)

21 THE COURT: Mr. MacPete, to let you know what
22 we're doing, I'm allowing the intervention. They are
23 preparing my an order, and I'll sign that. At the same
24 time I'm staying everything until this matter is resolved.
25 So that won't be an interference with what we're doing.

5

1 THE COURT: That's too many hours, my man.

2 MR. MACPETE: It is.

3 THE COURT: That's a 3,000 hour year which you
4 know is unsustainable.

5 MR. MACPETE: I think somebody mentioned at the
6 last hearing the number of vacations he has missed as a
7 result of this case over the last three years, and I don't
8 think I have gone on vacation in the last three years and
9 canceled at least three associated with this case. So I
10 will be glad it is over.

11 THE COURT: It is a mistake not to take
12 vacations. You know, probably the biggest regret I had in
13 my practice is I forewent vacations. I was just really
14 stupid. You know, kids grow up. Do you have any
15 children?

16 MR. MACPETE: I have one, your Honor, but it's a
17 sad story. He was kidnapped when he was nine. I haven't
18 seen him in five years.

19 THE COURT: Is that as a result of a divorce?

20 MR. MACPETE: It was.

21 THE COURT: That's a very sad story.

22 MR. MACPETE: But I remember what it was like to
23 be a parent, your Honor. -So yes.

24 THE COURT: The things we do to our children.

25 But we'll go forward, Mr. MacPete. What do you

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1 Also I have told Mr. Lurich and Mr. Krause to
2 copy Ms. Aldous and Mr. Rasinski on any e-mails in this
3 case so they can keep up, and they will get all the
4 filings, and Mr. Krause is going to send copies of
5 everything that's been filed here. So that will keep
6 everybody informed.

7 MR. KRAUSE: If I could clarify. We have, you
8 know, probably 30 e-mails a day just dealing with the
9 mechanics of the injunction.

10 THE COURT: Let's say e-mails where you need to
11 talk to me and Mr. Frye. All of your other stuff, they
12 don't need to be involved in that. I'm just saying when
13 it's involving me and filings and so forth like that.

14 Okay. Now, Mr. MacPete. I understand you
15 wanted to bring something else to my attention.

16 MR. MACPETE: I would, your Honor.

17 THE COURT: It's always good to see you three
18 good lawyers. Are you working on any other files right
19 now?

20 MR. MACPETE: Not really.

21 MR. KRAUSE: Not in the last two weeks.

22 MR. LURICH: Trying unsuccessfully.

23 MR. MACPETE: I was just working on my billing,
24 and I think I billed about 256 hours in June, and I think
25 almost every one of them was on this case.

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1 want to bring up?

2 MR. MACPETE: I thought, first of all, if you
3 had a little bit of time you would probably want to get
4 updated on the preliminary injunction progress, and so I
5 would start there, and let you know last Thursday
6 according to the order my clients produced the documents
7 the Court ordered that we previously agreed we were going
8 to provide to the defendant. They were due last Friday.
9 We produced them last Thursday. We produced the domain
10 server names for everybody to be pointed back to our
11 business on Friday as well. On Friday was the original
12 date for a certain production by us, and the plaintiffs
13 which your Honor then moved when we get into this
14 discussion about business days. So on Monday which was
15 the date your Honor moved the production of the
16 defendants, we got production of two out of three
17 categories which the Court had ordered at the last hearing
18 we had. That was the information that he used to delete
19 the domain names as well as the CSV text files. So those
20 have been produced in a usable form. So we got compliance
21 with those due to the fact that the Court extended the
22 deadline. We did not get full compliance with respect to
23 producing log-ins and pass codes. There were some
24 produced by Monday, actually in compliance with the
25 original Friday. But there are two missing, and one I

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1 want to talk to the Court about when I get to the end. On
2 Monday was the deadline at five o'clock for all of our
3 domain names to be pointed back to our business.
4 Unfortunately, that deadline was missed, and when we had
5 the telephone conference with your Honor earlier this
6 week, I indicated to the extent there was a little
7 slippage on that deadline I wasn't going to be making any
8 hay about that, and we understood everybody was working
9 hard, and it would be done in due course.

10 On Tuesday, we were still missing 6,000 names
11 from our portfolio that had not been pointed to us yet.
12 So I started to fuss at Mr. Krause a little more about the
13 fact that we had skipped an entire day beyond the time
14 line that was contemplated by the preliminary injunction.
15 We also reconfigured those lists because we got a
16 communication back from the defendants that it would be
17 helpful for them if the lists were configured in a
18 different way, and we did that. I'm not sure why it is
19 that we're having trouble getting compliance with that,
20 but that's still outstanding.

21 THE COURT: How many domain names do you think
22 you are missing?

23 MR. MACPETE: Currently roughly 4,800 and
24 change.

25 THE COURT: How many have you received?

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1 registrar to lift the hold and assign the names or
2 whatever is required?

3 MR. MACPETE: I think your Honor has already
4 ordered him to change the name server. We're three days
5 past the time for compliance, and I am going to file a
6 motion because, of course, nothing has been deposited in
7 my trust account. I'm kind of informing you as to how
8 things were going. Obviously, there was a lot of
9 compliance with respect to the name server thing, but we
10 still have a lot of compliance that hasn't happened yet.
11 And also there was a 5:00 p.m. deadline yesterday to send
12 out the joint notification to the monetization companies
13 who might be holding money to direct half of that money to
14 Mr. Krause's trust account and half to me on behalf of my
15 clients. Mr. Krause and I worked yesterday diligently.
16 We reached agreement like we know your Honor likes on what
17 the form of that letter would be, and when we parted
18 company, if you will, the understanding was the letter we
19 had agreed on would be the letter sent out by e-mail from
20 Mr. Baron because, of course, Mr. Baron is the one that
21 has the direct relationship with these monetization
22 companies. That didn't happen at five o'clock. Close to
23 midnight I started getting e-mails from an individual
24 named Jay Kline, who's I understand one of these new
25 lawyers who's now the general counsel of Ondova, and he

11

1 MR. MACPETE: Somewhere in the neighborhood of
2 about 280,000.

3 THE COURT: Okay.

4 MR. MACPETE: On Tuesday, we sent them a spread
5 sheet which specifically identified the names that were
6 still, quote, missing to try to make it easier for them to
7 the extent there was some confusion over there.

8 Then on Wednesday we produced according to the
9 preliminary injunction what was known as the allocated
10 names list, that was the random selection from Mr. Baron's
11 side of the portfolio to essentially replace the names
12 that he deleted from our side as well as the other related
13 lists associated with that. As of last evening, we were
14 still missing on the name server issue 4,800 names and
15 change. I sent Mr. Krause a second spread sheet with a
16 listing of those names. And as of this morning, shortly
17 after midnight, what we determined was the names that are
18 missing are in now what's called hold status at the
19 registrar. So they don't resolve anywhere. So in other
20 words, if you try to go to the page, you don't get
21 anything. I'm not sure why that is or what's going on,
22 but that requires a specific action on the part of the
23 registrar to do. So I'm a little in the dark as to what's
24 happening right now.

25 THE COURT: Could I enter an order requiring the

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1 was sending out notifications to third-party monetization
2 companies, and there were two problems associated with
3 that, your Honor. Mr. Krause and I had agreed on the form
4 of the letter pursuant to the preliminary injunction which
5 said it was supposed to be a joint notice, and the letter
6 sent out by Mr. Kline was not the letter I had agreed to.
7 It was different and in significant ways. So I was
8 obviously unhappy here is another lawyer on the case --
9 not Mr. Krause -- sending out a letter that wasn't agreed
10 to on something that's supposed to be an agreed notice.
11 And in addition to that, he sent a notification to two
12 companies who I had specifically told Mr. Krause earlier
13 in the day his client had put on the list and didn't
14 belong on the list afternoon. I had sent him an e-mail
15 confirming that about five o'clock. "Please do not send a
16 notification to Oversee because that is being dealt with
17 separately by the settlement agreement and not subject to
18 the Court's order about this fifty-fifty division." And
19 obviously, Mr. Kline either didn't communicate with Mr.
20 Krause before these things went out or ignored what Mr.
21 Krause had been told about when notifications were
22 supposed to go out. So that was yesterday. Nothing is
23 due today, and tomorrow is the deadline for us to turn
24 over the restored list. That would be the list of names
25 that were deleted that we want undeleted as part of the

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1 process with VeriSign. So I think that's -- that's the
2 update with respect to the preliminary injunction. There
3 was a new issue which came up with VeriSign that related
4 to the fee associated with the bulk transfer of names
5 pursuant to that state court order that has now been
6 entered, your Honor. And they apparently had a \$50,000
7 fee. The state court said no fee, but VeriSign squawked a
8 little bit about that. It hasn't been documented yet, but
9 I believe Mr. Krause and I have a Rule 11 agreement about
10 how we're going to deal with that fee. So at least we're
11 able to resolve that without a disagreement with the
12 court.

13 And then lastly, I think, your Honor may be
14 interested in disbursement of the funds which were in the
15 state court interpleader, and it's my understanding on
16 Monday the trust department of the state court got the
17 order from the state court to disburse the funds
18 consistent with this Court's order, and I understand they
19 are mailing checks. I haven't seen a check yet. I don't
20 know whether Mr. Krause has, but I understand the checks
21 are in the mail. And that's generally where we are as an
22 update on the progress of the matters in this case. The
23 issues that I'm having.

24 THE COURT: Before you go to that. Let me talk
25 to Mr. Krause and Mr. Lurich a minute. What is Mr. Kline

13

1 THE COURT: Do you have his number?
2 MR. KRAUSE: I don't.
3 THE COURT: What is Mr. Kline's name.
4 MR. KRAUSE: Jay Kline, Jr.
5 MR. LURICH: I believe he practices with Kline
6 and Kline. His father is a lawyer as well.
7 MR. MACPETE: Your Honor, the key factor in
8 that --
9 THE COURT: I've got one in larger print. Is
10 that the one agreed to.
11 MR. MACPETE: That's the one agreed to, your
12 Honor.

13 THE COURT: Okay.

14 MR. MACPETE: The one in smaller print, the way
15 the letter was sent out, the PDF was unable to respond.
16 So I was unable to print it. So I had to do the
17 print-screen thing. So I apologize for it being so small.
18 That's the only way I could print it out.

19 The first letter basically says, We have a
20 contract with you, and any names under that contract, any
21 money you get for names under that contract, you need to
22 pay in this way. So it essentially eliminates the
23 wiggling, if you will, that Mr. Baron has been doing about
24 what he thinks is at issue versus what the lawyers think
25 is at issue.

15

1 up to?

2 MR. LURICH: Candidly, your Honor, I don't know
3 the aspects of everything. I have some e-mail
4 communications with him.

5 MR. KRAUSE: I do think -- and I reported on the
6 call Monday -- he has been hired by Mr. Baron as a general
7 counsel. I think he primarily is involved in helping Mr.
8 Baron on business aspects, and I did not know that he
9 apparently helped Jeff send out these e-mails last night.
10 I don't believe there was a five o'clock deadline
11 yesterday, by the way. I believe they were sent pursuant
12 to the order.

13 THE COURT: Why did Mr. Kline take it upon
14 himself to send an e-mail that was different from the one
15 agreed to?

16 MR. KRAUSE: I don't know the answer to that,
17 but I think the differences are minor. I think what they
18 sent -- When I woke up this morning, I had twenty-five
19 e-mails on my Blackberry. I can't read those on the
20 Blackberry. Earlier in the day when I sent Mr. MacPete
21 the first e-mail draft, I think that's what they used.
22 But any differences can be resolved. John and I knew that
23 we were going to get feedback from these people and have
24 to talk to them. If there is any concerns that need to be
25 addressed, we can do that.

14

1 The first one, by Mr. Kline deletes the sentence
2 we have about the contract, and then it says just monies
3 related to the Simple Solutions and Manassas portfolios,
4 and I have no idea what those are, and I don't know
5 whether that's Mr. Baron again, his personal opinion about
6 the names which are at issue in this lawsuit versus what's
7 actually at issue, and that's the problem I'm having
8 between the two letters, aside from the fact that he sent
9 out a letter I didn't agree to, I hadn't even seen.

10 MR. KRAUSE: Your Honor, I think this is easily
11 fixed. What we heard from one of these folks that wants
12 to see the order -- That's one of the things we need to
13 talk about. I don't think any of these people are going
14 to comply with that request without seeing the order, and
15 we now have the e-mail addresses we can send from the
16 lawyers -- send a clarification e-mail today to resolve
17 this.

18 MR. MACPETE: That issue did come up last night.
19 Unfortunately, I happened to be sitting in front of my
20 computer when this all came out, and I don't know if Mr.
21 Kline is aware the preliminary injunction is sealed. So I
22 immediately responded to the third-party company that said
23 we'd like to see a copy of the order and said You can't,
24 but you are getting the direction from your client. You
25 don't need to see the order. Your client is telling you

16

1 this is how they want the money paid out. The fact that
2 he's been told to do that by the Court is not really
3 relevant for your purposes. So I disagree with Mr. Krause
4 that we need to be showing the order around. That was the
5 whole idea behind Mr. Baron would be the one sending out
6 the notices, coming from the customer.

7 THE COURT: Do we have Mr. Kline's phone number

8 MR. LURICH: The third-party imaging companies
9 are not our clients. We're trying to assist in that
10 process with the remote servers. They wanted to see the
11 orders.

12 MR. MACPETE: We're talking about the
13 monetization company.

14 MR. LURICH: The order we want to send is to the
15 servers.

16 MR. MACPETE: No, you have mixed it up.

17 MR. KRAUSE: Different issues. I think one
18 problem is that not all of these monetization companies
19 have contracts with my client, and we're going to have to
20 show something to them. The order I think is the only
21 thing that can do that to get them to comply with the
22 order.

23 THE COURT: Well, we can work on this a minute.
24 Ms. Casey has the number. What is his number?
25 9-7-2-2-1-7-2-3-9-4.

17

1 lawyer unfamiliar with the facts. That's what I'm
2 complaining about. I think Mr. Kline in this case was
3 probable an innocent dupe.

4 THE COURT: Well, I'm not going to make any
5 judgments.

6 MR. LURICH: Voice mail, your Honor.

7 MR. KRAUSE: I would add from my knowledge of
8 what happened is he was providing help to Mr. Baron
9 sending out the e-mails, and I do doubt that he understood
10 that there were two versions of the e-mail. I don't have
11 any doubts about that.

12 THE COURT: Well, I don't need a lot of chefs in
13 the kitchen. That's my goal. I want to keep you guys as
14 the chefs. I want you guys to keep trying to talk to Mr.
15 Kline. If he has any questions, I will be glad to meet
16 him in court and clarify his instructions. But he may be
17 certainly innocent. He may be being helpful. We just
18 have got to get this straightened right away.

19 Now, Mr. Lurich, what do you have to tell me?

20 MR. LURICH: I'd like to address some of the
21 things counsel informed the Court with respect to the
22 progress of the preliminary injunction. We certainly
23 dispute that there was any noncompliance with respect to
24 the passwords and log-ins. That information was provided
25 by 5:00 p.m. on Friday, July 3rd. As the order says, if

19

1 THE COURT: Mr. Kline, this is Judge Furgeson
2 from federal court. I'm calling you to tell you you may
3 be under some confusion representing Ondova and Mr. Baron,
4 but anything that involves litigation in my Court should
5 be coordinated through Mr. Lurich and Mr. Krause. An
6 e-mail was sent out this last night to we think
7 monetization firms that was not agreed to by the parties,
8 and so I've got to put you in touch with Mr. Lurich and
9 Mr. Krause as soon as possible. If you have any questions
10 about how this is to be arranged or done, we can have a
11 hearing in my court this afternoon or in the next several
12 days so that I can give you clear instructions about what
13 you are supposed to do. But you are not to do anything in
14 regard to the pending litigation.

15 I tell you --

16 MR. KRAUSE: I think he got the point.

17 THE COURT: Why don't you guys try to call? I
18 may have to enter an order on Mr. Kline or advisory.

19 MR. MACPETE: Your Honor, I don't have any
20 problem with Mr. Kline. I think what's happened here is
21 there is a demonstrated track record of playing games with
22 lawyers, and I think this is a situation where Mr. Kline
23 got bamboozled by Mr. Baron who knew very well he was not
24 supposed to send out the letter he wrote and knew it was
25 not supposed to go to Google and Oversee, and he worked a

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1 my client doesn't have that information we're required to
2 provide an explanation of why we don't have it, can't
3 produce it. We did that. The names counsel is talking
4 about I believe is a company eNom and another company
5 called Sendori. Those are registrars, not monetization
6 companies. My client has passwords with respect to the
7 registrar contact that he has with eNom. I don't think
8 he's telling me he doesn't have any password with respect
9 to Sendori. But the registrar password that my client has
10 was not ordered to be produced. My client did not produce
11 that. With respect -- It's our position there has been no
12 violation. Everything my client has on monetization
13 companies that he had information on he gave.

14 On this issue of the pointing of the domain
15 names, your Honor will recall that on Monday -- Plaintiffs
16 had directed that the domain names be pointed to sixty
17 different sets of name servers. It's our position that is
18 greater than and different than what the Court ordered in
19 the preliminary injunction. Nevertheless, we undertook to
20 point the domain names to those different sets of lawyers
21 (sic). It greatly complicated the task in having to do
22 that, and it increased --

23 THE COURT: What was the explanation for so
24 many?

25 MR. LURICH: The explanation was that parking

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1 300,000 names at one site would be problematic. I don't
2 believe that's the case because all of those names were
3 parked at one site. So I don't think that was accurate.
4 THE COURT: So what were you instructed to do?
5 Just if there were 60 in the 300,000, just put 5,000?
6 MR. LURICH: No, they provided specific names
7 that they wanted parked at specific places. So it greatly
8 complicated the program that had to be created in order to
9 accomplish that task.
10 THE COURT: You did accomplish it, I take it?
11 MR. LURICH: That's what we were talking about
12 on Monday, and your Honor will recall the plaintiff
13 informed the Court that they believed our client had
14 substantially complied as of that 3:00 time period -- we
15 were on the phone call -- and wouldn't complain about a
16 small delay. And what happened was the imaging process
17 interfered. The company doing the imaging process took
18 the server off-line that was running the program
19 transferring these names and that interfered and stopped
20 this pointing process. So -- And counsel has been very
21 cooperative in getting us the names of the companies (sic)
22 that haven't been pointed yet, and our client is working
23 through to re-point them. Today is the first time I have
24 known about this hold, but I assume it has something to do
25 with locating the names that weren't pointed and getting

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1 those pointed. And my guess is -- and I will confirm
2 this -- when the imaging process took the server offline
3 that somehow those names got placed on this hold status or
4 in limbo. But my client is working to correct that
5 status, and it will be done.
6 With respect to the letter to the monetization
7 companies that we have been talking about now, the order
8 says send the letter to all monetization companies.
9 That's what my client did. Plaintiffs don't want the
10 letter sent to a couple of companies, but I find that
11 argument interesting because they claim that my client
12 should have log-ins and passwords for Oversee and Google.
13 If they don't want the money split fifty-fifty in
14 accordance with the Court's preliminary injunction -- And
15 the order is clear to direct all third-party monetization
16 companies who are holding or later receive revenue to
17 split that revenue fifty-fifty.
18 THE COURT: Who was this e-mail sent to?
19 MR. LURICH: The ones that are being objected to
20 are Google and a company called Oversee.com.
21 THE COURT: But everybody else has received the
22 instructions?
23 MR. LURICH: The e-mail was sent to the others.
24 MR. KRAUSE: I think that's correct. I haven't
25 been able to read the e-mails. There were probably ten of

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1 them. Are you aware that any got missed?
2 MR. MACPETE: No, I'm not aware that any got
3 missed.
4 MR. LURICH: The order said send it to all
5 monetization companies. That's what our client did.
6 THE COURT: Okay.
7 MR. KRAUSE: I think yesterday John and I spoke
8 about this particular requirement of the injunction is a
9 little awkward and we decided -- In fairness to my client
10 we decided around 2:30 or 3:00 that my client should send
11 them out, and he didn't get back to his computer until
12 later than that. And I actually went to the eye doctor
13 yesterday at 4:30. He did get them out. There is some
14 concern about the version. But I think John and I both
15 knew we were going to have to contact these people today
16 because they probably wouldn't do anything just because
17 they got an e-mail saying turn over hundreds of thousands
18 of dollars. I think we need to follow-up on that process,
19 and if there is any confusion about which monies we are
20 talking about, we probably need to be able to show them
21 the order of the Court.
22 THE COURT: Well, you know, my view is you can
23 talk to the -- I don't see that there is a problem showing
24 the order. You can tell them that much of the order is
25 under seal, and so if I need to, I can order that the

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1 preliminary injunction order be distributed to these
2 companies on the condition that they sign a
3 confidentiality -- that they be required to sign a
4 confidentiality agreement and comply with the order as
5 written. If they have any questions, they can file
6 something with the Court, file a request with the Court
7 for clarification or whatever.
8 MR. KRAUSE: I think you could order them to
9 maintain the confidentiality without them signing.
10 THE COURT: I think I can. But if they have
11 questions, they can hire an attorney and file something
12 with the Court. I don't want to just keep fighting
13 everything. No, you don't get the confidentiality order
14 because you might tell your next door neighbor. If we
15 need to, let's do it, get it done. I just want to try to
16 move it forward.
17 Now, is there something I'm missing about the
18 confidentiality order, Mr. MacPete?
19 MR. MACPETE: No, the only thing I would say
20 about that, your Honor, is to the extent that we're going
21 to show the unredacted version of the preliminary
22 injunction to anyone, what I would like is for them to
23 maintain confidentiality and destroy it as soon as you are
24 done with it.
25 THE COURT: And you can prepare an order, and I

24

1 will sign it. By the way, Mr. Lurich and Mr. Krause, what
2 about that 4,800 names?

3 MR. LURICH: That's — Those are the names that
4 are on hold status. I just was alerted to the fact that
5 they are on the hold status, and I think it's because the
6 server was taken offline to accomplish the imaging, that
7 that messed up the program in pointing those names. So I
8 will immediately contract my client and make sure that is
9 straightened out.

10 MR. KRAUSE: Your Honor, you may remember there
11 are three remote servers, and that greatly complicated the
12 imaging process. Two of them require the order. But one
13 of them did not. When a live person showed up Monday
14 morning, that one proceeded. Unfortunately, that was the
15 server being used to transfer the names. I do believe
16 that is what resulted in what's really a small fraction of
17 the total getting lost in the process.

18 THE COURT: Well, if we have 280,000 names
19 transferred basically and we're only missing 4,800, then
20 you know, there has been an enormous amount of compliance.
21 So we need to figure out how to comply with that last
22 4,800.

23 MR. MACPETE: Your Honor, like I said on the
24 phone, I wouldn't be fussing if this was Tuesday and they
25 had a problem on Monday because the server got interrupted

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1 to do it so we can get those monetization firms. Does
2 anybody have a conceivable idea of how much money those
3 firms are holding total?

4 MR. KRAUSE: I do not. And I think it may be —
5 Well, I don't. There is something — I'm recalling a
6 discussion about these are monies that accrue based upon
7 the hits on the advertising, but now I'm remembering this
8 is an end date. I think at this point we're past the
9 date. Is that right, John?

10 MR. MACPETE: Well, that was predicated on
11 moving the names. So.

12 MR. KRAUSE: So the answer is no, I do not know.

13 THE COURT: Okay. Mr. MacPete, your goal has to
14 move these almost 300,000 names to 60 different
15 registrars.

16 MR. MACPETE: 60 different name servers. The
17 server is like a big computer, if you will, your Honor,
18 and if you think about this, when you have traffic coming
19 in, it's kind of like plumbing. If you got 300,000 names,
20 and if they are all kind of getting hit on at the same
21 time, you have a tremendous amount of traffic coming in
22 that can shut down the server. And you may have read the
23 news reports the other day about denial of service that
24 happened from North Korea. That's kind of what's happened
25 here. The reason there are 60 different servers is you

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1 and then everything showed up on Tuesday. But now we're
2 here on Thursday, and we still don't have them, and that's
3 the problem I'm having. They are missing and now in this
4 hold status which took an affirmative action by the
5 registrar, and it doesn't make sense to me. Something is
6 happening, and I'm not sure what it is.

7 THE COURT: Let's do this. If you don't have it
8 Monday, you need to call me Monday morning and tell me
9 why, why this has not been done.

10 It sounds like to me you have an explanation.
11 That's why I may have to pull our special master in. In
12 fact, you may want to talk to the special master about
13 this — that's why he's there — and see what he has to
14 say. I will be guided in large degree of his views to
15 whether somebody slow planned or there is legitimate
16 explanations. So he is going to be a big part of my kind
17 of view on all of this stuff. So you guys talk to him
18 today and get him involved in this and see what he has to
19 say. But we do need to get that 4,800 done.

20 MR. KRAUSE: Unless there is a technical
21 problem, I think it will be well before Monday.

22 THE COURT: Also, I need as far as the
23 monetization firms — I just want to get that money, you
24 know. And so if I need to sign another order on
25 confidentiality and you know and so forth, I will be glad

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1 need to keep the traffic open to get to the web sites.

2 THE COURT: That's accomplished

3 MR. MACPETE: It's accomplished and not unusual.
4 So the idea that they would all go to one server is not
5 right. When these names were originally taken three years
6 ago, they were at many, many different name servers. So
7 he knew how to take them. It wasn't that complicated for
8 him to put them back, and when they asked us to
9 reconfigure, we sent him the 60 different names and the
10 name server. We did more than we were required to make
11 the process easy, and we have offered technical assistance
12 all along. It hadn't been taken up. But we haven't been
13 trying to create a problem. We have been trying to work
14 with them to get compliance rather than say, Oh, they
15 haven't complied, and we got you.

16 THE COURT: I appreciate that, and I know how
17 hard you guys are working, and I want you to stay at it,
18 but at this point I may need Mr. Vogel's assistance in
19 deciding whether Mr. Baron is messing up the system or
20 there are legitimate explanations for it. Mr. Krause and
21 Mr. Lurich have at least given me what they understand to
22 be the problem, for example, with the 4,800 names. But I
23 would need Mr. Vogel to make sure he would understand that
24 and then explain it for me.

25 You can always file your motions for contempt,

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1 but before you do it, I would like you to get Mr. Vogel on
2 the line and talk to him. Okay?

3 MR. MACPETE: Okay. Like I said, I haven't
4 rushed down with a motion for contempt yet. I'm trying to
5 work with them, but I also know that they have a client
6 who's extremely resistant to complying with what the Court
7 has directed, and I have to balance how much slippage am I
8 going to allow in the Court's order and when am I being
9 taken advantage of because he's very sophisticated about
10 getting all the wiggle room that he possibly can.

11 THE COURT: And I understand your suspicions,
12 and you tell your client which I know is probably
13 breathing down your back that you are keeping me
14 thoroughly informed of your suspicions, and I'm telling
15 you that you always have the right to file a motion, but
16 in the meantime, keep working together.

17 MR. MACPETE: We're doing that, and like I said,
18 I don't think it's a problem with counsel. We seem to be
19 getting along fine and the hiccup in the letter was the
20 problem with the other counsel, not a problem Mr. Krause
21 and I are having.

22 THE COURT: Well, Mr. Kline will get my
23 interrupted message and not make that mistake again.
24 Anything else?

25 MR. MACPETE: Yes, your Honor, with respect to

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1 the letter and the Google and Oversee, the reason they are
2 not supposed to get a notice is under Paragraph 6 of the
3 Settlement Agreement the issue with Oversee and Google --
4 You may remember, your Honor, and you may not -- was at
5 the very beginning. After Mr. Baron hijacked the
6 portfolio, the first company he sent the names to was this
7 Oversee.net company, and Oversee.net, like Netsphere my
8 client, was a company that had a contract with Google. So
9 Google was essentially providing the advertisements on
10 Oversee pages, and Google had an exclusive license with
11 Netsphere. So when Google found out the names were
12 hijacked and run through Oversee on an illegal platform,
13 Google said, No, we're not allowing this to continue
14 because you have caused a breach of our license agreement
15 with Netsphere, and we're not paying. And when Google
16 didn't pay, Oversee didn't pay either. That's this issue.
17 Under the Settlement Agreement, this particular dispute
18 with Google and Oversee and the contracting entities --
19 the USVI entities not here, but they assigned the Oversee
20 lawsuit to my clients -- and I'm responsible for
21 prosecuting that and for recovering that money. And then
22 the money which is recovered from Oversee or Google as
23 part that litigation is going to be put into what's known
24 as the indemnity fund. And the indemnity fund is being
25 used to settle and otherwise defend existing third-party

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1 trademark litigation related to the portfolio. So it's
2 not money that's supposed to be directly distributed to
3 him or my clients. It's money that is supposed to go into
4 the indemnity fund to handle those other cases.

5 THE COURT: So does that e-mail need to be
6 rescinded?

7 MR. MACPETE: The one to Google and the one to
8 Oversee.

9 THE COURT: Mr. Krause.

10 MR. KRAUSE: Well, there is another argument
11 that can be made that the preliminary injunction
12 supercedes that language which it says if you read the two
13 provisions of the preliminary injunction, there was
14 literal compliance with sending the notification to the
15 third-party monetization companies, and the injunction
16 states at Paragraph 9 that it supercedes essentially the
17 MOU. I'm willing to, you know, shelve that issue until we
18 can determine it later. I don't want to receive funds
19 that are supposed to go somewhere else. I'm willing to do
20 that. But there is an issue there. I wanted the Court to
21 know there is an issue there.

22 THE COURT: You will reserve that issue and in
23 the meantime go ahead and rescind the e-mails to Google
24 and Oversee.net and we'll reserve that argument until
25 later. So that will be done.

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1 MR. MACPETE: The last two things I had for your
2 Honor -- And these were the most urgent things that I
3 needed the Court's help on today. You heard Mr. Lurich
4 talk about the log-in codes for eNom and Sendori. And I
5 think that he was mistaken in that one of those companies
6 is a registrar, and that's eNom. And one of those
7 companies is a monetization company, Sendori. As part of
8 the process of trying to work cooperatively with
9 Mr. Krause after we had the teleconference with your Honor
10 earlier this week, I sent over to Mr. Krause a number of
11 documents which proved that Mr. Baron has a log-in and
12 pass code for eNom and an account there, and he is using
13 Sendori as a monetization company with respect to one of
14 domain names on his registrar, and I provided that domain
15 name to him voluntarily in the hopes that he would be able
16 to persuade his client to turn over those log-ins and pass
17 codes. Your Honor may remember when we had the hearing
18 that resulted in the order to turn over those codes, I
19 told you about a process called drop-catching, and that's
20 a situation where, you know, the name is in the redemption
21 grace period. In other words, it's been deleted and when
22 it comes out of that redemption grace period, it becomes
23 available to anybody in the public to register. And so if
24 you know a name is going to come up, you can simply
25 schedule with eNom or other companies that do this to

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1 essentially pick up that name as soon as it becomes
2 available. If your Honor recalls that was one of the
3 things I was concerned about might be behind the seemingly
4 irrationality of these delete names. He could delete
5 those and they are outside the purview of the Settlement
6 Agreement and pick them up on the drop side with eNom, and
7 you recall when I asked about the log-ins and pass codes,
8 that was one I especially wanted because of course you
9 would see in the account what names he has essentially
10 scheduled to drop catch, and that would be very important
11 to know before my clients have to produce the restored
12 list because obviously those are the valuable ones he was
13 trying to get outside the purview of the Settlement
14 Agreement.

15 THE COURT: What was the problem Mr. Krause
16 explained to you about the problem with the log-in and
17 pass code?

18 MR. MACPETE: Apparently, what we just heard
19 from Mr. Lurich is Mr. Baron says the language of the
20 order says monetization company, and eNom is not a
21 monetization company. Therefore, I don't have to comply,
22 even though the Court's order says produce the log-in and
23 pass code for eNom. That's the argument that he's
24 standing on.

25 THE COURT: Well, Mr. Lurich, Mr. Krause.

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1 be given the log-in and pass code for eNom so that he can
2 see what's in there and he can understand what Mr.
3 MacPete's concerns are, and if the concerns apparently are
4 verified by the special master, then we will come and have
5 a hearing on Monday it.

6 MR. MACPETE: Here is the problem I have with
7 that procedure, your Honor, and I'm sorry to fuss about
8 this, but our restore list which has now been extended two
9 other times as a result of noncompliance by Mr. Baron is
10 due tomorrow at five o'clock, and it can't be extended any
11 further because VeriSign has indicated that they have
12 extended the grace period to July 15, and that's all they
13 can do. So I'm out of time, and he has been slow playing
14 this now for more than a week.

15 THE COURT: Can he pick these names up without
16 anybody knowing about it?

17 MR. MACPETE: Yes. That's why he doesn't want
18 to turn over the password or log-in for eNom because he
19 may be poised to pick up these names on July 15. And now
20 I'm hearing from Mr. Lurich for the first time that there
21 may be other names that Mr. Baron thinks are not at issue
22 in this case -- and you know, I don't agree with his
23 analysis of this case -- that may be parked there as well.
24 So he's clearly hiding something. He absolutely admitted
25 to his counsel he has a log-in and pass code. He's been

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1 MR. LURICH: My understanding from my client,
2 eNom is a registrar, but they do have a division or
3 whatever you want to call it that does monetization
4 functions. My client does not have any business with the
5 monetization aspect. His only business is with the
6 registrar.

7 THE COURT: What's his objection to giving the
8 registrar information?

9 MR. LURICH: The registrar information opens up
10 everything he has with respect to those names, how long he
11 has had them. It's different names, different portfolios,
12 and we're getting above my head here. But the arguments
13 that we have heard previously as to why plaintiffs needed
14 this information is because they needed to see where and
15 how much these accounts have been monetized so they can
16 determine their value. We're hearing a different argument
17 today as to why they need my client's registrar passwords
18 and log-in, and that's not been talked about previously.

19 THE COURT: We're talking about eNom and
20 Sendori?

21 MR. LURICH: My client says he does not have a
22 log-in and password for Sendori. We have been hounding
23 him, and he says he doesn't have one.

24 THE COURT: I am going to enter a verbal order.
25 We're going to get the special master involved. He is to

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1 slow playing this because he knows my deadline is
2 tomorrow, and if I don't have it, I can't do anything with
3 it. And this is the third time your Honor has extended
4 it, and we're out of runway at this point.

5 THE COURT: Mr. Lurich.

6 MR. LURICH: I don't believe that's accurate.
7 What we've heard for the last couple of weeks is they need
8 the information as to why the names are deleted so they
9 can determine if they are of value and if they can restore
10 them. They have been given that information. This
11 information as to a registrar pass code and what the
12 registrar has and what they give access to is above my
13 competence. I don't know that. I do know, however, that
14 it is entirely different than the information you get by
15 getting a pass code at a monetization account.

16 MR. MACPETE: I agree with that last statement,
17 your Honor, but it's absolutely relevant, and his counsel
18 have represented to this Court that he's not trying to
19 pick up any of those deleted names. So let's test the
20 truthfulness of that representation to this Court and see
21 whether he has anything in eNom that he is trying to pick
22 up. That's absolutely relevant as to whether we would
23 keep it. If he's trying to drop catch it, that tells us
24 he deleted it for a bad purpose and is trying to get it
25 out of the Court's purview. I told the Court about this

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1 when I asked you to order him to produce this.
2 THE COURT: What is the restore list? How have
3 you been able to prepare your restore list?
4 MR. MACPETE: What we did is we took the
5 historical information about what we had about what the
6 names did when we were in control of our business which is
7 over three years old, and we took the log-in codes they
8 have produced so far and used the financial information we
9 could come up with from those monetization companies to
10 determine what they have been doing during the period of
11 time that we have been divorced from our business, and
12 that information is spotty. For instance, he produced a
13 pass code for Hitfarm, but it's expired. That didn't help
14 us. And he had a copy of our pass codes he produced which
15 were expired. But what we have done is taken all the
16 financial information that we were able to acquire about
17 past conduct and what they are presently doing whenever
18 they are parked to the extent we got pass codes for that,
19 and we have analyzed which names appear to be valuable.
20 THE COURT: How many names do you have on your
21 restore list?
22 MR. MACPETE: We sent a list to VeriSign the
23 other day for what was what. They were supposed to extend
24 the grace period for 75,000 names. We told them that was
25 a list we were having trouble putting together because of

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1 the noncompliance with the Court's orders previously about
2 producing the information we needed. So we were doing the
3 best we could under the time crunch that we had. But we
4 didn't feel comfortable that we had been able to do what
5 we needed to do. But we understand that VeriSign is out
6 of runway. So we had to do something. We understood if
7 they didn't have a list by Tuesday, noon time, they were
8 not going to extend the grace period to prevent those
9 names from going out to the public and being lost. So we
10 did what we could.
11 THE COURT: How can you secure these names now
12 under VeriSign's time?
13 MR. MACPETE: Essentially what we're supposed to
14 do by tomorrow is we're supposed to have the full restore
15 list to give the defendants in this case, and what
16 VeriSign basically said is if you find other names because
17 you are still running your processes -- I mean we have
18 fourteen people working on this every day since this order
19 has come out. If we have additional names -- The first
20 batch of names, if you will, were deleted on June 9 and
21 those essentially will expire, if you will, go out to the
22 public, on July 9 if the redemption grace period is not
23 extended.
24 THE COURT: Let me ask. Do you know what the
25 seventy-five thousand names are?

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1 MR. MACPETE: Yes, we do.
2 THE COURT: Why don't you restore all of them?
3 MR. MACPETE: VeriSign basically asked us -- You
4 ordered that, but VeriSign said it's difficult for us to
5 do this. It's a very time consuming process, and
6 essentially we want you to tell us the names that you
7 think you are going to want undeleted as opposed to
8 extending the grace period for everything, and obviously
9 as the operator of the .com and .net industry, they are an
10 important player to play nice in the same box with. So we
11 were balancing their request that we not hit them with the
12 full seventy-five with the need to make sure we were not
13 going to miss anything.
14 MR. KRAUSE: Your Honor, one point.
15 THE COURT: Okay.
16 MR. KRAUSE: We're building some hysteria here
17 on the assumption that my client is intending to drop
18 catch deleted names. That's not anything they have ever
19 heard from our side, and that is something that Mr. Vogel
20 could verify. Our client has told us he has no
21 intention -- These names were deleted because they had
22 made a determination these were not very valuable names,
23 and that's part of the information we had to provide to
24 Mr. MacPete, and he has no intention of trying to drop
25 catch any of these names.

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1 THE COURT: Well, I understand that. Mr.
2 MacPete, why can't I enter an order saying restore 75,000
3 names?
4 MR. MACPETE: You have done that, your Honor.
5 You have already issued that order.
6 THE COURT: Why is Verisign -- I realize it
7 creates problems but why --
8 MR. MACPETE: I believe that the problem for
9 VeriSign -- In other words, you can't keep extending this
10 redemption grace period.
11 THE COURT: I don't want to extend it. Just
12 75,000 names restored. No extension.
13 MR. KRAUSE: Well, your Honor, I think there is
14 mechanics. That is a cumbersome process on the
15 registrar's end, and John, correct me if I'm wrong about
16 the 40,000 number. VeriSign is saying they can do it --
17 Not just extending the period but undeleting them, there
18 is a payment of a \$50,000 fee, and we're about to argue
19 who should pay that fee because I don't know that there is
20 any way my client can undelete 40,000 names. That's one
21 of the reasons we agreed to the structure of the
22 preliminary injunction where we're giving them some of our
23 names to compensate them for any deleted names that came
24 off their list, the two piles, the coin flip. It's an
25 unusual situation. So I don't know that VeriSign can do

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1 70,000, but they are saying they can do around 40,000.
 2 THE COURT: Well, let me tell you what I am
 3 going to do. This is a special master problem. I realize
 4 that you've got high suspicions, that you think he's about
 5 to drop catch 75,000 names that are worth twenty-five
 6 billion dollars. I am going to bring the special master
 7 in, and we're going to have to have him in here next
 8 Monday and go through all of this and give him his
 9 marching orders. I don't know who's playing what where
 10 and so forth. So I'm not going to order the pass code
 11 right now. We're going to set a hearing at two o'clock
 12 Monday afternoon, and everybody is going to be in here
 13 with the special master and with Mr. Baron, and we're
 14 going through this. It may be that Mr. Baron is going to
 15 pull a fast one that I can't do anything about ever
 16 because this stuff is so screwy. But at this point, I'm
 17 pretty much at my limit of what I am going to be able to
 18 do here. It seems like I just go further and further into
 19 the depth of this problem, and I don't have any help from
 20 anybody because you guys are just doing the best you can
 21 for your clients.

22 MR. MACPETE: Well, your Honor, one thing I
 23 would point out about this is we have a protective order
 24 in this case, and if Mr. Baron has nothing to hide, if Mr.
 25 Baron is not drop catching names at eNom, there is nothing

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1 particularly sensitive about whatever he has at eNom, and
 2 it would be protected by the protective order. So I guess
 3 from my point of view, your Honor, I don't see why the
 4 log-in would not be ordered to be produced so we can see
 5 what's there.

6 THE COURT: I am going to produce it. But I
 7 will tell you if there is nothing there, you are going to
 8 pay the \$50,000. So I am going to order it produced, but
 9 you will pay everything that requires to undelete these
 10 names. That's your risk. So you want to take that risk,
 11 the \$50,000 is your ticket.

12 MR. MACPETE: I understand, your Honor. I will
 13 need to ask my clients if they want to take that risk.
 14 But I will ask them and get with Mr. Krause about what
 15 we're going to do.

16 THE COURT: So you understand if they are going
 17 to pay that \$50,000, then the pass code and log-in for
 18 eNom has to be produced today. But that's the order. By
 19 the way, you guys need to get these transcripts from these
 20 hearings. But tell your client that's their risk. They
 21 can take it.

22 MR. MACPETE: And your Honor, if we're able to
 23 get VeriSign to waive that fee, is that okay?

24 THE COURT: If you can. Whatever.

25 MR. MACPETE: I don't know if we can. But I

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1 just --

2 THE COURT: Whatever fee it is from VeriSign,
 3 you have to pay it if I order that password and log-in.

4 MR. MACPETE: Last thing I have, hopefully not
 5 as controversial as the eNom pass codes, we have these
 6 existing third-party trademark cases outstanding and
 7 couple going on right now in which off codes and unlocking
 8 has been requested of the registrar, and that's necessary
 9 to transfer the domain names to the plaintiff trademark
 10 owner.

11 THE COURT: Is this time sensitive?

12 MR. MACPETE: It is.

13 THE COURT: Have you talked to the special
 14 master about this? Is there anywhere a point where I can
 15 get to a point where the special master can start helping
 16 you with some of this stuff?

17 MR. MACPETE: I suppose, your Honor. I think
 18 that's outside the scope of what we were originally
 19 contemplating with Mr. Vogel, and I think this is fairly
 20 simple.

21 THE COURT: It's simple, but they are in total
 22 disagreement with what you are asking, correct?

23 MR. MACPETE: I don't know that they are, your
 24 Honor, actually.

25 MR. KRAUSE: I think I just heard about this

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1 issue yesterday. My client is in the middle of almost
 2 daily deadlines, and we can't add to what he's doing until
 3 he gets through with what he has to do before the 15th,
 4 but the last headache is how we're going to undelete these
 5 forty or however many thousand, and that is a big headache
 6 because my client has only done a few of those, a handful
 7 in the past, and he thinks it takes several days to do one
 8 or two of them. We can start adding additional burdens at
 9 that point.

10 THE COURT: I am really concerned about this.
 11 In other words, if I don't make a decision today, all of
 12 those trademark cases get lost?

13 MR. MACPETE: What I understand from the counsel
 14 who's handling is if we turn over the domain names that
 15 have been requested, those cases will go away for no
 16 payments, and if we don't file them by Friday, they are
 17 going to file a cyber squatting lawsuit and ask for
 18 hundreds of thousands of dollars in damages. So we can
 19 get rid of them Friday for free. But I can't get their
 20 attention. The preliminary injunction orders him to do
 21 these things. He doesn't have any deadlines today, your
 22 Honor.

23 THE COURT: I understand. It seems to me that
 24 we're dealing with enormous numbers of things right now.

25 MR. MACPETE: We are.

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1 THE COURT: And so these matters are in
2 litigation and some judge has said you do it by this time
3 and nobody can explain to the judge why this is?

4 MR. MACPETE: No, your Honor, these matters are
5 at the pre-litigation stage where the holder has said I
6 will not file a lawsuit and go away as long as you give me
7 my names, and if you don't by Friday, I will file a
8 lawsuit and ask for damages.

9 THE COURT: And nobody can explain this to
10 anybody. Nobody can explain the problems we're having
11 here to these people?

12 MR. MACPETE: The trademark plaintiffs, your
13 Honor, to be honest with you are not overly sympathetic
14 with Mr. Baron because he has a long history of entering
15 into settlement agreements and renegeing and doing things
16 that trademark holders think are problematic.

17 THE COURT: Well, let them file the lawsuit.
18 The world doesn't stop when a lawsuit gets filed.

19 MR. MACPETE: No, it doesn't. But we have a
20 unique opportunity here to eliminate cases without paying
21 any money, and there is a limited amount of money in this
22 indemnity, your Honor, and we need to protect it for other
23 existing cases now. And having cases for no reason other
24 than Mr. Baron doesn't feel like providing the off codes
25 which is a simple thing for him to do is what I'm trying

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1 done in thirty seconds and he didn't do it and cost you
2 guys \$200,000 then you get the \$200,000 they are holding.
3 At some point, I can't, you know, do everything minute by
4 minute, and that's all I can tell you.

5 MR. LJURICH: Judge, I need to say something. My
6 client feels like he's being piled on. We have this
7 e-mail yesterday afternoon and said you have to do this by
8 Friday, and then we got discovery that was served on the
9 counsel in the Virgin Islands on June 19th. We get the
10 e-mail yesterday that said, oh, by the way, we need this
11 by June 19. So there is many things wasted that could
12 have been given to my client so that he could assist in
13 these defenses.

14 THE COURT: Well, talk to them about it. If
15 those people want to file their lawsuit, you can tell them
16 the federal judge said file the lawsuit. I see lawsuits a
17 lot. I know you are tired, working hard, up at 3:00
18 o'clock in the morning reading e-mails. I understand
19 that.

20 My sympathies go with you. My empathy goes with
21 you. That's good enough. Keep working together.

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23
24
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1 to avoid.

2 MR. KRAUSE: Your Honor, could I make a
3 suggestion? This came up yesterday and Ryan and I have
4 not had a chance to discuss the information. If we can't
5 get some resolution here early afternoon maybe we will
6 agree to see if we can get you on the phone. Neither one
7 of us have talked to our client about this yet. And so I
8 don't know that we're even talking about an issue.

9 THE COURT: I don't know if you are or not. All
10 I'm saying is somebody is going to have to pay some money.
11 If these people think that they can give you a deadline
12 that's artificial and if you don't jump through the hoops
13 they are going to file a lawsuit and never settle with you
14 again, there is nothing I can do about it. At some point
15 I can't meet everybody's deadline at every thirty seconds.

16 MR. MACPETE: I understand, your Honor. We're
17 talking about less than twenty names, and it's a simple
18 thing to give us the off code so we can turn it over and
19 settle the matter.

20 THE COURT: It sounds simple. If it turns out
21 because he didn't do something he could have done and
22 fails to do it, he's going to pay for it. I've got a hold
23 of a lot of money on him. It may be that all of that
24 money is going to pay for the trademark stuff. And if he
25 does things and Mr. Vogel tells me this could have been

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2 CERTIFICATION

3 I, Cassidi L. Casey, certify that during the
4 proceedings of the foregoing-styled and -numbered cause, I
5 was the official reporter and took in stenotypy such
6 proceedings and have transcribed the same as shown by the
7 above and foregoing pages 1 through 47 and that said
8 transcript is true and correct.

9

10 I further certify that the transcript fees and format
11 comply with those prescribed by the court and the Judicial
12 Conference of the United States.

13

14

15

s/Cassidi L. Casey

16

CASSIDI L. CASEY
UNITED STATES DISTRICT REPORTER
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION
CSR NUMBER 1703

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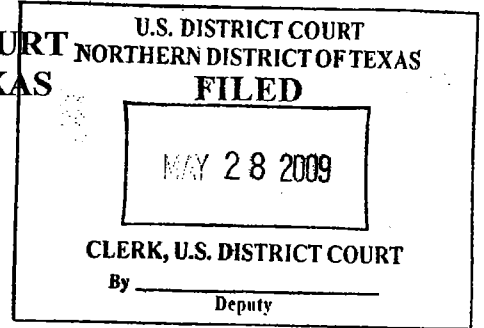
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<p>risk 42:10, 42:13, 42:20 Rm 1:42 room 29:10 Ross 1:26 roughly 9:23 Royal 1:21 Rule 3:6, 13:9 run 30:12 running 21:18, 38:17 runway 36:4, 38:6 rushed 29:4 Ryan 1:32, 2:12, 46:3</p> <p><S> s/cassidi 48:15 sad 7:17, 7:21 saying 6:12, 23:17, 40:2, 40:16, 41:1, 46:10 says 15:19, 16:2, 19:25, 22:8, 31:12, 33:19, 33:20, 33:22, 34:21, 34:23 schedule 32:25 scheduled 33:10 scope 43:18 screw 41:16 seal 23:25 sealed 16:21 second 10:15 seconds 46:15, 47:1 secure 38:11 seeing 16:14 seem 29:18 seemingly 33:3 seems 41:18, 44:23 seen 7:18, 13:19, 16:9 selection 10:10 send 6:4, 11:11, 12:15, 14:9, 14:14, 16:15, 16:16, 17:14, 18:24, 22:8, 23:4, 23:10 sending 12:1, 12:9, 17:5, 19:9, 31:14 Sendori 20:5, 20:9, 32:4, 32:7, 32:13, 34:20, 34:22 sense 26:5 sensitive 42:1, 43:11 sent 10:4, 10:15, 11:19, 12:6, 12:11, 12:14, 14:11, 14:18, 14:20, 15:15, 16:8, 18:6, 22:10, 22:18, 22:23,</p>	<p>28:9, 30:6, 32:10, 37:22 sentence 16:1 separately 12:17 served 47:8 server 8:10, 10:14, 11:4, 11:9, 21:18, 22:2, 25:6, 25:15, 25:25, 27:17, 27:22, 28:4, 28:10 servers 17:10, 17:15, 20:17, 25:11, 27:16, 27:25, 28:6 service 27:23 set 41:11 sets 20:17, 20:20 settle 30:25, 46:13, 46:19 Settlement 12:17, 30:3, 30:17, 33:5, 33:13, 45:15 several 11:11, 44:7 sheet 10:5, 10:15 shelve 31:17 shortly 10:16 show 17:20, 23:20, 24:21 showed 25:13, 26:1 showing 17:4, 23:23 shown 48:6 shut 27:22 sic 20:21, 21:21 side 10:11, 10:12, 33:6, 39:19 sign 5:23, 24:2, 24:3, 25:1, 26:24 signed 4:9 significant 12:7 signing 24:9 Simple 18:3, 43:20, 43:21, 45:25, 46:17, 46:20 simply 32:24 sir 4:5 site 21:1, 21:3 sites 28:1 sitting 16:19 situation 5:13, 18:22, 32:20, 40:25 sixty 20:16 skipped 9:13 skipped 9:7, 29:7 slow 25:15, 35:13, 36:1 small 15:17, 21:16, 25:16 smaller 15:14 Solutions 16:3</p>	<p>somebody 7:5, 26:15, 46:10 somehow 22:3 Somewhere 10:1, 31:19 soon 18:9, 24:23, 33:1 sophisticated 29:9 sorry 35:7 sounds 26:10, 46:20 special 26:11, 26:12, 34:25, 35:4, 41:3, 41:6, 41:13, 43:13, 43:15 specific 10:22, 21:6, 21:7 specifically 10:5, 12:12 split 22:13, 22:17 spoke 23:7 spotty 37:12 spread 10:4, 10:15 Spring 1:34 squalling 44:17 squawked 13:7 stage 45:5 standing 33:24 start 8:5, 43:15, 44:8 started 9:12, 11:23 state 13:5, 13:7, 13:15, 13:16, 13:17 statement 36:16 STATES 1:1, 31:16, 48:12, 48:18 Status 1:20, 10:18, 22:3, 22:5, 25:4, 25:5, 26:4 stay 28:17 staying 5:24 stereotyping 48:5 stop 45:18 stopped 21:19 story 7:17, 7:21 straightened 19:18, 25:9 Street 1:42 structure 40:21 stuff 6:11, 26:17, 41:16, 43:16, 46:24 stupid 7:14 subject 4:14, 12:17 substantially 21:14 suggestion 46:3 Suite 1:26, 1:34 supercedes 31:12, 31:16 suppose 43:17 supposed 12:5, 12:10, 12:22, 18:13, 18:24, 18:25,</p>	<p>31:20, 33:8 wants 16:11 wasted 47:11 ways 12:7 web 28:1 Wednesday 10:8 week 9:6, 32:10, 35:14 weeks 6:21, 36:7 Whatever 11:2, 24:7, 34:3, 42:1, 42:24, 43:2 Whenever 37:17 whether 13:20, 16:5, 26:15, 28:19, 36:21, 36:22 whole 17:5 wiggly 29:10 wiggling 15:23 will 4:11, 4:22, 6:3, 6:5, 7:10, 11:18, 15:23, 19:15, 20:15, 21:12, 22:1, 22:5, 25:1, 25:8, 26:14, 26:21, 26:25, 27:17, 29:22, 31:22, 31:25, 35:4, 38:20, 38:21, 42:7, 42:9, 42:12, 42:14, 44:15, 45:6, 45:7, 46:5 willing 31:17, 31:19 without 3:13, 13:11, 16:14, 24:9, 35:15, 45:20 woke 14:18 words 10:20, 32:21, 40:9, 44:11 work 17:23, 28:13, 29:5, 32:8 worked 11:15, 18:25 working 6:18, 6:23, 9:8, 21:22, 22:4, 28:17, 29:16, 38:18, 47:17, 47:21 world 45:18 worth 41:5 written 24:5 wrote 18:24</p> <p><Y> year 7:3 years 3:22, 7:7, 7:8, 7:18, 28:5, 37:7 yesterday 11:11, 11:15, 12:22, 14:11, 23:7, 23:13, 44:1, 46:3, 47:7, 47:10</p>		

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**



NETSPHERE, INC.,
MANILA INDUSTRIES, INC.; and
MUNISH KRISHAN

Plaintiffs,

vs.

JEFFREY BARON and
ONDOVA LIMITED COMPANY,

Defendants.

§
§
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§

CIVIL ACTION NO. _____

3-09CV0988-M

JURY TRIAL DEMANDED

ORIGINAL COMPLAINT

Plaintiffs Netsphere, Inc., Manila Industries Inc. and Munish Krishan (collectively "Plaintiffs" or "Netsphere Parties"), by and through their undersigned attorneys, hereby file this Original Complaint against Defendants Jeffrey Baron and Ondova Limited Company (collectively "Defendants"), and allege as follows:

PARTIES

1. Plaintiff Netsphere, Inc. ("Netsphere") is a Michigan Corporation, having its principal place of business at 1300 Bristol Street North, Suite 200, Newport Beach, California 92660.

2. Plaintiff Manila Industries, Inc. ("Manila") is a California corporation, having its principal place of business at 23312 Eagle Ridge, Mission Viejo, California 92692.

3. Plaintiff Munish Krishan ("Krishan") is an individual residing in Mission Viejo, California, and is the sole officer, director and shareholder of Manila and president and majority shareholder of Netsphere. Manila, Netsphere, and Krishan shall be referred to collectively as the "Netsphere Parties."

4. Defendant Jeffrey Baron ("Baron") is an individual residing in Texas and may be served personally at his place of residence at 2200 E. Trinity Mills Rd Carrollton, Texas 75006.

5. Defendant Ondova Limited Company ("Ondova") is a Texas limited liability company with a principal place of business at P.O. Box 111501, 2030 Jackson Street, Carrollton, Texas 75011. Plaintiffs are informed and believe and based thereon allege that Baron is the president and sole owner, employee, officer and/or director of Ondova and its alter ego.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 as complete diversity exists between Plaintiffs and Defendants and the amount in controversy exceeds \$75,000.00 (US).

7. This Court has personal jurisdiction over Defendants due to the fact that they are citizens of Texas and continuously do business in this judicial district. Further, the contract at issue was entered into in this judicial district and a substantial portion of the performance of the transaction at issue was to take place in this jurisdiction.

8. Exercise of jurisdiction in this suit comports with the due process requirements of the U.S. Constitution.

9. Venue is proper in this Court under 28 U.S.C. § 1391(a) because a

substantial portion of the events, or omissions, giving rise to Plaintiffs' claims occurred in the State of Texas and in this judicial district.

FACTUAL BACKGROUND

10. Manila is in the domain name registration and monetization business. To build an Internet domain name portfolio, Manila initially used proprietary computer software licensed from Netsphere to automatically identify and register popular generic and descriptive words and word combinations as Internet domain names. Manila was the owner and registrant-of-record and Netsphere was the exclusive licensee of several hundred thousand of these automatically-registered domain names.

11. Pursuant to the license, Netsphere monetizes Manila's domain names by operating webpages associated with the domain names that contain advertising links. Advertisers pay a small fee every time a user clicks on one of the advertising links. This arrangement is referred to as "domain name parking." Even though the individual click-through fee paid by advertisers is very small, the aggregate revenue is significant due to the sheer number of domain names in Manila's portfolio.

12. Ondova is a licensed bulk domain name registrar and is in the business of registering domain names to customers throughout the United States through its interactive website at www.budgetnames.com. Plaintiffs are informed and believe and based thereon allege that Baron is the alter ego of Ondova, and Baron is therefore liable for the acts of Ondova. Recognition of the privilege of separate existence would promote injustice and a fraud against the Plaintiffs because Baron in bad faith dominated and controlled Ondova as follows: a). Baron is the president and sole owner, employee, officer and/or director of Ondova; b). Baron has commingled funds and other assets of Ondova for his own

convenience and to assist in evading legal obligations; c). Baron has failed to adhere to corporate formalities for Ondova, namely he has failed to maintain minutes and/or adequate records of Ondova; d). Baron has diverted funds and other assets of Ondova to other than corporate uses; e). Baron has used Ondova as a mere shell, instrumentality, or conduit for his domain name business; f). Baron has diverted assets from Ondova to himself to the detriment of creditors, including the Plaintiffs; and g). Baron contracted with Plaintiffs with the intent to avoid performance by use of the corporate entity of Ondova as a shield against personal liability.

13. Manila's domain names are associated with a particular nameserver and IP address. When a user enters one of Manila's domain names in a web browser, the nameserver associated with that domain name directs Internet users to the website established by Netsphere. The identification of the nameserver and IP address is critical to ensuring traffic is directed to a specific website so that Netsphere and Manila can generate revenue. In the past, Manila (as registrant) has provided information to Ondova (as registrar) regarding where the nameserver should direct traffic and Ondova has complied with Manila's instructions regarding designation of the proper nameserver and IP address.

14. Based on their registrar-registrant relationship, in 2005 Baron initiated discussions with Manila's principal, Krishan, regarding a possible joint business opportunity. Although preliminary steps were taken, the joint business between the Netsphere Parties and Defendants was never consummated.

15. A dispute arose between the Netsphere Parties and Defendants regarding the ownership of Manila's domain names (hereinafter the "Manila Domain Names"). Despite the fact that a joint venture was never finalized, Defendants claimed that they were entitled to half of the Manila Domain Names. As a result, and because he had the control to do so, Baron engaged in improper

“self-help” with regards to the Manila Domain Names. Specifically, on November 13, 2006, without warning and without Manila’s permission, Baron and Ondova changed the IP addresses/Nameservers for the Manila Domain Names from the IP addresses/Nameservers selected by Manila to new IP addresses/Nameservers selected unilaterally by Ondova, via its registrar interface with VeriSign¹. By improperly changing the IP addresses/Nameservers for the Manila Domain Names, Ondova diverted Manila’s web traffic from the pages operated by Netsphere and its ad provider to pages operated by a different domain parking provider. As a result, the Netsphere Parties no longer had, or have, control of the content of the webpages or the revenue generated therefrom.

16. Manila instructed the Defendants to take corrective action to direct the Manila Domain Names back to their original IP address/Nameserver so that the domain names are properly associated with Netsphere and the ad provider it has engaged. Nevertheless, the Defendants refused to return the Manila Domain Names or to cooperate in requiring the parking companies with whom the Defendants had engaged to pay the Netsphere Parties their share of the revenues.

17. On or about November 15, 2006, Manila, Netsphere and Krishan filed an Original Complaint in the United States District Court for the Central District of California, captioned *Manila Industries Inc., et al. v. Ondova Limited Co. d/b/a Ondova LLC, et al.*, (No. SACV06-1105 AG) (the “Cal. Conversion Case”) for Conversion and seeking a Declaratory Judgment as to the ownership rights to the Manila Domain Names, as well as other domain names originally owned by Ondova (“Ondova Domain Names”)(the Manila Domain Names and Ondova Domain Names are collectively referred to as the “Domain Name Portfolio”).

18. On or about November 14, 2006, Ondova filed its Original Petition

¹ VeriSign is the .com/.net registry operator.

for Declaratory Judgment in the 68th District Court, Dallas County, Texas, captioned *Ondova Limited Company v. Manila Industries, Inc., et al.* (Cause No. 06-11717)(the “TX DJ Case”) also seeking a determination of the rights of the parties with regard to the Domain Name Portfolio. The Cal. Conversion Case and the TX DJ Case are collectively referred to herein as the “Litigation”.

19. On or about April 26, 2009, after months of negotiations and numerous days of private mediations, the Netsphere Parties and the Defendants entered into a settlement agreement to dispose of the Litigation, all material terms of which were memorialized in a confidential writing (the “Settlement Agreement”). The Settlement Agreement expressly states that it is intended to be a “full and final settlement agreement containing all material terms.” Pursuant to the confidential terms of the Settlement Agreement, certain events were to be completed, by certain deadlines, prior to the dismissal of the Litigation.

20. Pursuant to the Settlement Agreement, the Manila Domain Names were to be divided among the Netsphere Parties and the Defendants, which division was to be determined by a specific procedure set forth in detail in the confidential Settlement Agreement (the “Division”). The Division was to be completed no later than May 10, 2009, fourteen (14) days after the execution of the Settlement Agreement.

21. On April 28, 2009, the Netsphere Parties timely performed under the Settlement Agreement and provided the Division, consisting of two lists of domain names, to the Defendants. Despite this fact, the Defendants have refused to rely on the Division in effectuating a transfer of the Netsphere Parties’ share of the Manila Domain Names and have even failed to provide a reasonable alternative Division.

22. Pursuant to the Settlement Agreement, the parties were also required to execute an Agreed Order, within ten (10) days of the settlement, wherein the Court would instruct VeriSign to effectuate the transfer of the Netsphere Parties’

share of the Manila Domain Names to the registrar designated by Manila. Although the Netsphere Parties prepared and presented the Agreed Order to the Defendants on April 28, 2009, the Defendants refused, and continue to refuse, to execute the Order, or otherwise cooperate in having it issued by the Court.

23. To date, the Defendants have failed to perform under the Settlement Agreement and maintain possession and sole control over all of the Manila Domain Names to the detriment of the Netsphere Parties.

FIRST CLAIM FOR RELIEF

Specific Performance of Contract (Settlement Agreement)

24. Plaintiffs hereby incorporate the allegations of the preceding paragraphs of this Complaint.

25. On or about April 26, 2009, the Netsphere Parties and Defendants entered into the written Settlement Agreement. Pursuant to the Settlement Agreement, the Netsphere Parties and Defendants were to cooperate in completing the Division of the Manila Domain Names.

26. Consideration exchanged under the Settlement Agreement was just and reasonable and as set forth in the confidential Settlement Agreement.

27. The Netsphere Parties have presented, and continue to present, to Defendants the Division in accordance with the Settlement Agreement. The Netsphere Parties were at all times, and still are, ready, willing and able to perform all conditions required by them remaining to be performed under the Settlement Agreement.

28. Defendants have failed and refused, and continue to fail and refuse, to perform their obligations under the Settlement Agreement. Specifically, the Defendants have failed to cooperate in the Division of the Manila Domain Names, and instead refute the Division presented to them by the Netsphere Parties in

accordance with the terms of the Settlement Agreement. The Defendants have further breached under the terms of the Settlement Agreement by failing to execute the Agreed Order, wherein the Court would instruct VeriSign to effectuate the transfer of the Netsphere Parties' share of the Manila Domain Names to the registrar designated by Manila.

29. For the reasons heretofore stated, the Netsphere Parties have no adequate legal remedy in that domain names are a unique property, and damages will be inadequate to compensate the Netsphere Parties for the detriment suffered by them.

SECOND CLAIM FOR RELIEF

Breach of Written Contract (Settlement Agreement)

30. Plaintiffs hereby incorporate the allegations of the paragraphs 1 through 23 of this Complaint.

31. On or about April 26, 2009, the Netsphere Parties and Defendants entered into the Settlement Agreement.

32. Pursuant to the terms of the Settlement Agreement, the parties were obligated to participate in the Division of the Manila Domain Names no later than fourteen (14) days after the date Settlement Agreement was executed. The Netsphere Parties have cooperated and have acted in good faith by preparing the Division and presenting it to the Defendants on April 28, 2009.

33. The Defendants have breached the Settlement Agreement, by refusing to cooperate with the Netsphere Parties in meeting the conditions precedent to the ultimate dismissal of the Litigation. Specifically, the Defendants have: a). refused to accept the Division prepared by the Netsphere Parties in accordance with the terms of the Settlement Agreement; b). refused to execute and submit the Agreed

Order, wherein the Court would instruct VeriSign to make the transfer of the Netsphere Parties' share of the Manila Domain Names to the registrar designated by Manila; and c). refused to cooperate in requiring the parking companies with whom the Defendants have engaged to pay the Netsphere Parties their share of the revenues.

34. The Netsphere Parties have performed all of their duties and obligations pursuant to the Settlement Agreement.

35. The Defendants have refused all of the Netsphere Parties' demands to cooperate in the Division of the Manila Domain Names or to pay the Netsphere Parties' share of revenues therefrom.

36. As a result of the foregoing, the Netsphere Parties have been damaged in the amount of its share of revenues from the Manila Domain Names, the exact amount of which is not known to the Netsphere Parties until and unless an accounting of those revenues is received from the Defendants.

THIRD CLAIM FOR RELIEF

Conversion of Manila's Domain Names, Accounting and Constructive Trust

37. Plaintiffs hereby incorporate the allegations of the preceding paragraphs of this Complaint.

38. Pursuant to the Settlement Agreement, Manila is entitled to be the registrant and sole owner of all rights (subject to Netsphere's license), title, and interest in its share of the Manila Domain Names. Netsphere, as Manila's exclusive licensee, has the right to possess and use those Manila Domain Names and park them with its parking service and the ad provider it has engaged.

39. Without authorization from the Netsphere Parties, the Defendants directed all of the Manila Domain Names to IP addresses/Nameservers different than those chosen by Manila and which are associated with parking services with

which the Netsphere Parties have no contractual relationship. The Defendants have agreed pursuant to the Settlement Agreement, to divide the Manila Domain Names with the Netsphere Parties and to execute an Agreed Order, wherein the Court would instruct VeriSign to effectuate the transfer of the Netsphere Parties' share of the Manila Domain Names to a registrar designated by Manila.

40. The Defendants have failed to comply with the terms of the Settlement Agreement and have refused all of the Netsphere Parties' demands to cooperate in the return of the Manila Domain Names to Netsphere's IP addresses/Nameservers.

41. The Defendants' actions constitute conversion of the Netsphere Parties' share of the Manila Domain Names and the revenue generated therefrom. The Defendants, and each of them, have assumed and exercised dominion and control over the Manila Domain Names in an unlawful and unauthorized manner, to the exclusion of and inconsistent with Manila's and Netsphere's rights.

42. The Defendants will continue their conversion of the Netsphere Parties' share of the Manila Domain Names, and revenue therefrom, if not restrained and enjoined by the Court.

43. As a direct and proximate result of the above-described actions, the Netsphere Parties are being damaged by loss of revenues, loss of profits and loss of good will. The Netsphere Parties have no way of quantifying those revenues without an accounting by the Defendants.

44. The Netsphere Parties are entitled to a judgment that the actions of the Defendants constitute conversion and are entitled to have their assets returned.

45. The Netsphere Parties are entitled to an accounting of the revenues generated by the conversion and imposition of a constructive trust over those improperly collected revenues for the benefit of the Netsphere Parties.

46. The actions of the Defendants have been willful and with malice.

47. The Netsphere Parties are entitled to an award of exemplary damages.

FOURTH CLAIM FOR RELIEF

Unjust Enrichment

48. Plaintiffs hereby incorporate the allegations of the preceding paragraphs of this Complaint.

49. As a result of the Defendants' refusal to redirect any of the Manila Domain Names to the Netsphere Parties, or their designees, or to release any portion of the revenues it has collected from the Manila Domain Names, the Defendants, and each of them, have been unjustly enriched to the detriment of the Netsphere Parties.

50. The Netsphere Parties are entitled to restitution from the Defendants in an amount to be proven at trial.

PRAYER

WHEREFORE, Plaintiffs respectfully request that this Court grant the following relief:

1. Granting an order for specific performance of the Settlement Agreement, requiring that the Defendants:
 - a. proceed with the Division as circulated by the Netsphere Parties using the methodology set forth in the Settlement Agreement;
 - b. execute and submit to the Court the Agreed Order, wherein the Court will instruct VeriSign to effectuate the transfer of the Netsphere Parties' share of the Manila Domain Names to a registrar designated by Manila; and
 - c. otherwise comply with the terms of the Settlement Agreement;

2. Imposing a constructive trust for the benefit of the Netsphere Parties over all revenue generated by Defendants through their unlawful conversion of the Netsphere Parties' domain names and ordering an accounting of all such revenues;

3. Granting Netsphere Parties all monetary relief appropriate, including damages caused by Defendants' wrongful conduct, pre- and post- judgment interest where applicable, and appropriate exemplary damages;

4. Granting Netsphere Parties their costs, attorneys' fees, and such other relief, in equity or at law, including temporarily restraining and enjoining Defendants from further violations of the Settlement Agreement and the Netsphere Parties' rights, as to which they are entitled and the Court deems just; and

5. Ordering the Defendants to pay restitution to the Netsphere Parties in an amount equal to their unjust enrichment from the unlawful use of the Netsphere Parties' domain names.

Dated: May, 28th, 2009

Respectfully submitted,



John W. MacPete

State Bar No. 00791156

LOCKE LORD BISSELL &
LIDDELL LLP

2200 Ross Avenue, Suite 2200

Dallas, Texas 75201

(214) 740-8662

(214) 740-8800 (Fax)


ATTORNEYS FOR PLAINTIFFS
MANILA INDUSTRIES, INC.,
NETSPHERE, INC. and MUNISH
KRISHAN

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury.

Dated: May, 28th, 2009

Respectfully submitted,



John W. MacPete

State Bar No. 00791156

LOCKE LORD BISSELL &
LIDDELL LLP

2200 Ross Avenue, Suite 2200

Dallas, Texas 75201

(214) 740-8662

(214) 740-8800 (Fax)

ATTORNEYS FOR PLAINTIFFS
MANILA INDUSTRIES, INC.,
NETSPHERE, INC. and MUNISH
KRISHAN

MacPete, John W.

From: Jerry Mason [jmason@jerrydmasonpc.com]
Sent: Monday, May 04, 2009 2:52 PM
To: MacPete, John W.; 'Frank Herrera'
Cc: fperry@pandblaw.com; 'Filing'; 'Michelle E. Breaux'; 'Jan Paul Guzman'
Subject: RE: John Conti v. TIPA

One of the things I was trying to call Frank about this morning, I want to make sure he has everything from me he requested. I thought I gave him everything. Frank, let me know what else you need.
Jerry

From: MacPete, John W. [mailto:jmacpete@lockelord.com]
Sent: Monday, May 04, 2009 2:42 PM
To: Frank Herrera; jmason@jerrydmasonpc.com
Cc: fperry@pandblaw.com; Filing; Michelle E. Breaux; Jan Paul Guzman
Subject: RE: John Conti v. TIPA

Frank,

I was under the understanding that they were willing to walk away in exchange for the name. Are they demanding money now because you didn't have the auth code for them by their last Friday deadline?

Please let me know. Depending upon your response, your proposed course of action may be fine.

Jerry, is there any reason why the other auth codes (besides the Adv. Publications names) requested on Friday were not provided to Frank? If not, please get those codes to Frank asap. Delay only results in increasing demands for more money. Thanks,

John

John W. MacPete
Partner

LOCKE LORD BISSELL & LIDDELL LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
(214) 740-8662
(214) 756-8662 (fax)

From: Frank Herrera [mailto:fherrera@rra-law.com]
Sent: Monday, May 04, 2009 2:42 PM
To: jmason@jerrydmasonpc.com; MacPete, John W.
Cc: fperry@pandblaw.com; Filing; Michelle E. Breaux; Jan Paul Guzman
Subject: John Conti v. TIPA

After some careful prodding, I got counsel for John Conti to make an offer:

John Conti wants \$6,000 and the domain. Just to see what we can get, I recommend countering with \$3k and worse case scenario paying the \$6k.

7/20/2009

8
App.

EXHIBIT B

Frank Herrera
Partner

Las Olas City Centre, Suite 1650
401 East Las Olas Boulevard
Fort Lauderdale, Florida 33301
Direct: (954) 315-7246
Telephone: (954) 522-3456
Facsimile: (954) 527-8663
Email: fherrera@rra-law.com
www.rra-law.com



RRIA
Rothstein Rosenfeldt Adler
Attorneys at Law

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7/20/2009

9
App.

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS**

In re:	§	
Ondova Limited Company	§	Case No.: 09-34784-SGJ-11
Debtor(s)	§	Chapter No.:
	§	
Plaintiff(s)	§	
vs.	§	Adversary No.:
	§	
Defendant(s)	§	

Exhibits C and D (the TRO and Preliminary Injunction) attached to the Affidavit of
Manish Aggarwal to the previously filed [21] Emergency Motion for Relief from Stay

Title of Document

FILED UNDER SEAL

By Manila Industries, Inc. and Netsphere, Inc. pursuant to [33]
Name of party filing the sealed document Document #

Order entered August 6, 2009
Entry date on the docket

By Manila Industries, Inc. and Netsphere, Inc.
(Name of party filing the motion)

Filed by: _____
Attorney's signature
Doug D. Skierski
Printed Name of Attorney
10501 N Central Expwy., Ste 106
Address
Dallas, Texas 75231
City, State and Zip Code
214-702-4061
Phone number

EXHIBIT 7

ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

United States Bankruptcy Judge

Signed September 2, 2009

THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: §
§
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ-11,
§
Debtor. §

ORDER FOR DEBTOR TO APPEAR
AND SHOW CAUSE WHY: (A) A CHAPTER 11 TRUSTEE SHOULD NOT BE
APPOINTED, OR ALTERNATIVELY, (B) THE CASE SHOULD NOT BE CONVERTED
TO A CASE UNDER CHAPTER 7 AND A CHAPTER 7 TRUSTEE APPOINTED

On August 26, 2009, and again on September 1, 2009, this court held hearings on the Debtor's Emergency Motion Asserting: (i) No Perfected Lien on Debtor's Cash or Accounts; and (ii) Ability to Utilize Such Property of the Estate [DE # 10] (hereinafter, the "Section 363 Cash Usage Motion"). It soon became apparent to the court that Ondova Limited Company ("Ondova" or the "Debtor") was seeking (through a motion, rather

than through an *adversary proceeding*) a ruling that: (a) the cash held by the Debtor in a debtor-in-possession bank account (over \$461,000), (b) any cash that the Debtor might receive henceforth during the case (from revenue from the registration and/or renewal of domain names, and/or from monetization companies, and/or from other sources), and (c) possibly other cash that may have been transferred prepetition by the Debtor to certain of its attorneys was all "property of the bankruptcy estate" (11 U.S.C. § 541), unencumbered by any lien, claim or interests of third parties. Noting the procedural problem with this (*i.e.*, the court's inability to make a declaratory judgment without an adversary proceeding, where all parties-in-interest have been named as defendants and served with a complaint, summons, and given a chance to answer, take discovery and have an evidentiary trial on reasonable notice; see Bankr. Rule 7001)—and at the same time recognizing that the Debtor may have a genuine and urgent need to use cash—the court indicated that it would treat the Section 363 Cash Usage Motion as, essentially, a "typical cash collateral motion," pursuant to which the Debtor could put on evidence of such relevant things as: (a) what cash the Debtor had on hand now and expected to receive in the near-term; (b) how such cash was and would be derived; (c) what the

Debtor's budgeted expenses and other cash needs were expected to be during the next few weeks of the Chapter 11 case; (d) the reasonableness and necessity of the Debtor's budgeted expenses (which would entail evidence regarding what the Debtor was doing; what the Debtor's business model was at this juncture; how many employees and how much overhead the Debtor has); and (e) what the Debtor would offer as "adequate protection" (11 U.S.C. §§ 361 & 363) to parties who might have an interest in the cash. The court would also let objecting parties who claim an interest in the Debtor's cash (NetSphere, Inc. and lawyers Mr. Rasansky and Ms. Aldous) put on evidence concerning their alleged interests in the cash that might be entitled to "adequate protection." See 11 U.S.C. § 363(p).

During the hearings on the Section 363 Cash Usage Motion, which still have not concluded (the court setting the next hearing on the Section 363 Cash Usage Motion for September 11, 2009 at 9:30 a.m.), the court became concerned about whether it is appropriate to allow Ondova to remain on as a debtor-in-possession in this bankruptcy case. Among the things driving this concern are the following. First, the hearing on September 1, 2009 began with an attempt by the Debtor to terminate its bankruptcy counsel and seek a continuance of the hearing on the

Section 363 Cash Usage Motion (in light of a desire to retain new bankruptcy counsel). The court noted that it was especially troubled with this development—given that the Debtor has a long prepetition history of playing “musical lawyers” in litigation with NetSphere, Inc. Second, the court has been troubled at both the August 26, 2009 and September 1, 2009 hearings, with: (a) an apparent lack of forthcomingness on the part of the Debtor’s principal, Mr. Barron; (b) an inability on Mr. Barron’s part to concisely answer straightforward questions about the Debtor’s business; and (c) the assertion of the attorney-client privilege by the Debtor in situations where such an assertion may not be consistent with the fiduciary duties of a debtor-in-possession (*i.e.*, in situations where, surely, a Bankruptcy Trustee would see fit to waive the privilege in the interests of creditors and in the interests of the efficient administration of the bankruptcy estate). The court also perceives that the goal of Ondova in this Chapter 11 case (while under the direction of Mr. Barron and the current management team) may not be centered around reorganizing a viable company (or providing a soft landing to a financially-stressed company), for the benefit of creditors and other parties-in-interest, but more geared toward protecting the personal interests of Mr. Barron and his affiliates, and/or

attempting to relitigate issues already decided or settled in other fora. Finally, the court is concerned about complex, prepetition transactions among various companies in which Mr. Barron has some interest or control, which transactions may affect the Debtor (and the value available/reachable for creditors), that need investigating by an independent fiduciary.

The court, therefore, has decided to issue this show cause order, pursuant to 11 U.S.C. § 105, setting a hearing to hear evidence and argument on whether Ondova should continue on as a debtor-in-possession. Accordingly, based upon the foregoing, it is hereby

ORDERED that Ondova and Jeff Barron (and their counsel) shall appear before this court on Friday, September 11, 2009, at 9:30 a.m., for a hearing, and show cause at such hearing why a Chapter 11 Trustee should not be appointed in Ondova's case or, alternatively, the case should not be converted to a case under Chapter 7 and a Chapter 7 Trustee appointed. Other parties-in-interest may attend and present evidence and argument.

###END OF ORDER###

EXHIBIT 8



ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

United States Bankruptcy Judge

Signed September 11, 2009

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: §
Ondova Limited Company, § Case No. 09-34784-SGJ-11
Debtor. § Chapter 11
§

ORDER (1) DENYING THE MOTION TO DISMISS BANKRUPTCY CASE FILED BY NETSPHERE, INC. AND MANILA INDUSTRIES, INC.; (2) DIRECTING THE APPOINTMENT OF A CHAPTER 11 TRUSTEE; (3) CONTINUING CERTAIN HEARINGS; (4) SETTING HEARING ON EMERGENCY MOTION TO WITHDRAW AS COUNSEL FOR THE DEBTOR; AND (5) SETTING A STATUS CONFERENCE

On September 11, 2009, this court held a hearing on its Order for Debtor to Appear and Show Cause Why: (A) A Chapter 11 Trustee Should Not Be Appointed, or Alternatively, (B) The Case Should Not Be Converted to a Case Under Chapter 7 and a Chapter 7 Trustee

Appointed (DE #56, the "Show Cause Order"); the Motion to Dismiss Bankruptcy Case filed by Netsphere, Inc. and Manila Industries, Inc. (DE #60, the "Motion to Dismiss"); and the joinders to the Motion to Dismiss filed by Jeffrey Baron, individually (DE #78), and by Quantec LLC, Iguana Consulting LLC, and Novo Point LLC (DE #82, which amended DE #77).

After testimony from the Debtor's principal, Mr. Jeffrey Baron, in which he invoked his Fifth Amendment right against self-incrimination as to each question; after oral argument by counsel for Netsphere, Inc. and Manila Industries, Inc. (the "Netsphere Parties"), Mr. MacPete, individual bankruptcy counsel for Mr. Baron, Mr. Pronske, administrative claimant, Paul Keiffer (who has also served as debtor's counsel before this court, but who could not in good faith argue in the capacity of debtor's counsel regarding the Motion to Dismiss and the Show Cause Order), counsel for Quantec LLC, Iguana Consulting LLC, and Novo Point LLC, Mark Taylor, and after considering the prior testimony of Mr. Baron before this court on August 26, 2009 and September 1, 2009, the court has determined that cause exists under 11 U.S.C. § 1104 to appoint a Chapter 11 trustee (such cause including debtor mismanagement and lack of candor of the debtor's representative), a Chapter 11 Trustee would be in the best interests of the estate,

and that the Motion to Dismiss should be denied. The Chapter 11 trustee is encouraged to consult the Special Master appointed by Judge Royal Furgeson, Mr. Peter Vogel of Gardere Wynne, regarding the history of this debtor, the debtor's operations, and any other matter the trustee and Mr. Vogel may deem beneficial to this estate. Accordingly, based upon the foregoing and upon the court's oral findings and fact and conclusions of law as announced by this court on the record, it is hereby

ORDERED that the Motion to Dismiss is **DENIED**; and it is further

ORDERED that the United States Trustee is directed to appoint a Chapter 11 trustee in this case forthwith; and it is further

ORDERED that all parties in interest shall cooperate with the Chapter 11 trustee; and it is further

ORDERED the debtor immediately shall turn over all assets, including cash, to the trustee. **Jeffrey Baron has no authority to act on behalf of the debtor in any capacity and no authority to exercise any control over the assets of the estate other than in any way he is requested to or directed to act by the Chapter 11 trustee**; and it is further

ORDERED that the hearing on the Emergency Motion to Impound Contents of Statement of Financial Affairs Section 10 (DE #39) is

hereby continued to Monday, September 28, 2009 at 9:30 a.m. and counsel for the Netsphere Parties is directed to notice the continued hearing; and it is further

ORDERED that the status conference on the Motion to Withdraw Reference of Bankruptcy Case (DE #36) is hereby continued to Monday, September 28, 2009 at 9:30 a.m. and counsel for the Netsphere Parties is directed to notice the continued hearing; and it is further

ORDERED that the Emergency Motion to Withdraw as Counsel for the Debtor (DE #83) is hereby set for Monday, September 28, 2009 at 9:30 a.m. and Mr. Keiffer is directed to notice the hearing on such motion; and it is further

ORDERED that this court shall hold a status conference in this matter on Monday, September 28, 2009 at 9:30 a.m. to hear a preliminary report from the Chapter 11 trustee regarding the status of the case.

END OF ORDER

EXHIBIT 9

Raymond J. Urbanik
Texas Bar No. 20414050
Jay Ong
Texas Bar No. 24028756
Lee Pannier
Texas Bar No. 24066705
MUNSCH HARDT KOPF & HARR, P.C.
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ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	
	§	Case No. 09-34784-SGJ
ONDOVA LIMITED COMPANY,	§	(Chapter 11)
	§	
Debtor.	§	Expedited Hearing Requested
	§	

**TRUSTEE'S MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT
PURSUANT TO RULE 9019, FEDERAL RULES OF BANKRUPTCY PROCEDURE**

TO THE HONORABLE STACEY G. C. JERNIGAN, U.S. BANKRUPTCY JUDGE:

COMES NOW Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 trustee of Ondova Limited Company, and files this *Motion for Approval of Settlement Agreement Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure* (the "Motion"), respectfully stating as follows:

I. JURISDICTIONAL BACKGROUND

1. On July 27, 2009 (the "Petition Date"), Ondova Limited Company ("Ondova" or "Debtor") filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), thereby initiating this Bankruptcy Case and creating the Debtor's bankruptcy estate (the "Estate").

2. On September 17, 2009, the Court entered its order approving the appointment of the Trustee.

3. This Court has jurisdiction over this Bankruptcy Case and this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Such jurisdiction is core under 28 U.S.C. § 157(b)(2). Venue of the Bankruptcy Case before this Court is appropriate pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested herein are section 105 of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

II. BACKGROUND

5. Prior to the Petition Date, there was extensive litigation between the principal of the Debtor, Jeffrey Baron, and certain other parties. The litigation primarily stems from a joint venture between Mr. Baron and Mr. Munish Krishan, the principal of Netsphere, Inc. and Manila Industries, Inc. (collectively, "Netsphere" or "Netsphere Parties"). In late 2005, Mr. Baron and Mr. Krishan created a joint venture in the U.S. Virgin Islands to combine their business interests. In their joint venture, Baron and Krishan sought to combine their internet domain name business operations and also benefit from certain tax incentives offered in the U.S. Virgin Islands. The main focus of the combined businesses was the monetization of a large portfolio of internet domain names. The internet domain names generate advertising revenue and also can be sold individually to buyers. The joint venture was created in December 2005. The venture did not go smoothly and litigation between Baron and Netsphere began in the fall of 2006.

6. In late 2005, in connection with their new business venture, Baron and Mr. Krishan also created certain trusts, the Village Trust and the MMSK Trust. Once the lawsuits between Baron and Netsphere began, these trusts, as well as the parties connected to the U.S. Virgin Islands tax structure, became caught up in the disputes and soon become entangled in

the litigation as well. To add to the confusion, in the spring of 2009, a Byzantine web of new entities was formed in the Cook Islands by Baron which were then swept up into the litigation. Therefore, in addition to the principal litigation between Baron and Netsphere, originally commenced on November 13, 2006 in the 68th Judicial District Court of Dallas County, Texas, lawsuits sprang up in various courts around the United States between 2006 and 2009 involving all of these parties - and others.¹

7. During the pendency of the litigation, certain interim settlement agreements were reached and numerous mediation efforts also took place. During a mediation that was commenced in April, 2009, Netsphere, Krishan, Ondova and Baron and certain other parties (Denis Kleinfeld, Jeannie Hudson, HCB, LLC, RIM, LLC, Simple Solutions, LLC, Search Guide, LLC, Blue Horizons, LLC, Four Points Management, LLLP, Novo Point, Inc., Iguana, Inc. and Quantec, Inc.) entered into a memorandum of understanding (the "MOU"), which was to settle and resolve all of the litigation. The MOU outlined the substance of a settlement between various parties and was to be memorialized by a formal settlement agreement. However, no formal settlement agreement document was ever agreed to by the parties.

8. As a result of the failure of a formal settlement document to be completed and the MOU to be implemented, Netsphere filed an action against Ondova and Baron in the United

¹ The Ancillary Cases include the following cases: (i) the "USVI Oversee Case" filed HCB, LLC and Realty Investment Management, LLC, and Simple Solutions, LLC – all of whom are part of the Trusts – against Oversee.net in the District Court of the Virgin Islands, Division of St. Thomas-St. John, styled *HCB, LLC and Simple Solutions, LLC, v. Oversee.net*, Case No. 3:07-cv-00029-CVG; (ii) the "Manila Oversee Case" filed by Manila and Netsphere against Oversee.net and Doe 1 through Doe 10 in the Superior Court of the State of California, styled *Manila Industries, Inc. and NetSphere, Inc., a Michigan corporation vs. Oversee.net and DOE 1 through DOE 10, inclusive*, Case No. BC425821; (iii) the "VI Case" filed by Simple Solutions, LLC against Ondova in the in the District Court of the Virgin Islands, Division of St. Thomas & St. John, styled *Simple Solutions, LLC vs. Ondova Limited Co, LLC d/b/a Ondova, LLC*, Case No. 3:07-CV-123; and (iv) the "Phonecards.com case" filed by Baron, as Beneficiary of the Equity Trust Company FBO IRA 19471, the Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 against Rohith Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan in the 68th Judicial District Court, Dallas County, Texas, styled *Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron As Beneficiary of Equity Trust Company FBO IRA 19471 vs. Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan*, Cause No. DC08-13925-C.

States District Court for the Northern District of Texas, Dallas Division, ("District Court") styled *Netsphere, Inc., et al. v. Baron, et al.*, Civil Action No. 3-09-CV-0988-M, seeking to enforce the MOU. A special master, Peter Vogel, was appointed by the District Court in this litigation. Upon the Trustee's appointment on September 17, 2010, the Trustee and the Special Master began a series of settlement discussions. Those efforts however were unsuccessful.

9. The Trustee began a second phase of settlement discussions on February 23, 2010. Those settlement talks have been ongoing virtually daily, including many weekends, since February 23, 2010. Finally on June 22, 2010 during a break at the continued hearing on the Trustee's Motion to Convert Case to Case Under Chapter 7, to Operate Business Pursuant to 11 U.S.C. § 721, and Waiver of 30 Day Hearing Requirement Under § 1112(B)(3), a final settlement agreement was reached and announced to the Court.

III. RELIEF REQUESTED

10. By and through the Motion and pursuant to Bankruptcy Rule 9019, the Trustee respectfully requests that this Court approve the Mutual Settlement, Release, and Indemnity Agreement (the "Settlement Agreement" or "Agreement") attached hereto as "Exhibit A" and incorporated herein for all purposes.

IV. THE SETTLEMENT

11. On the Petition Date, the parties were deadlocked in litigation pending throughout the United States stemming from their joint business dealings. The litigation primarily involved four parties: Baron, the Netsphere Parties, Adrian Taylor, Trustee of the Village Trust and MMSK Trust (the "Trusts") and the parties connected to the U.S. Virgin Islands tax structure, Simple Solutions, LLC, Marshden, LLC, Four Points Management, LLLP, Search Guide, LLC, Blue Horizon Limited Liability Company and certain individuals and other related entities. Because the Trustee held his own independent claims and causes of action against certain of

the parties, there were essentially five (5) parties participating in settlement negotiations.

12. From the Trustee's earliest involvement in this case, he was advised by all of the parties that they sought a settlement to end the expensive and long running litigation. The Trustee initiated settlement efforts in the fall of 2009, shortly following his appointment, however, the parties were too far apart in their respective settlement positions and those initial efforts were unsuccessful. Upon the urging of the District Court and Bankruptcy Court, the Trustee then embarked on a second campaign to facilitate a settlement of all of the litigation. Those efforts began on February 23, 2010 and have continued uninterrupted since that date up through the filing of this Motion.

13. In anticipation of a potential settlement, the parties had been working on a draft master settlement agreement for several months. The final version, entitled Mutual Settlement and Release Agreement is attached hereto as Exhibit "A". The Agreement settles a number of claims held by the Estate against certain of the settling parties as well as complex litigation surrounding the business interests of Baron, the Trusts, the V.I. Parties and the Netsphere Parties. The Agreement involves fifty-one (51) parties and resolves eight (8) pending lawsuits. By overview, it provides for settlement payments to be made by the Netsphere Parties, a portion of which go to the Trustee, and a portion of which go to the Village Trust. It also adopts the split of a large portfolio of internet domain names which the District Court directed in a Preliminary Injunction order entered on June 26, 2009. The Agreement also settles the claims of Baron's former counsel, Jeff Rasansky and Charla Aldous, and their respective law firms. Finally, the Agreement settles and resolves a lawsuit not even connected in any way to this bankruptcy case, commenced on November 2, 2008, commonly referred to as "Phonecards.com Case", which is pending as Case No. DC-08-13925-C, in the 68th Judicial District Court of Dallas County.

14. With respect to Ondova, the settlement provides for the Trustee to receive total consideration of \$1.7 million. This amount is being paid in two installments, one of \$1,250,000 on the Transfer Date as set forth in the Agreement and the payment of \$450,000, in installments over approximately seven (7) months. All other settling parties, with the exception of Rasansky and Aldous, receive nothing from the Estate and have agreed to waive and release all claims.

15. As noted above, the Trustee receives the sum of \$1,250,000 within ninety (90) days after execution of the Settlement Agreement directly from the Netsphere Parties. The payment of \$1,250,000 is being funded by Mr. Munoj Krishan, the brother of Munish Krishan. The \$1,250,000 is being loaned by Mr. Munoj Krishan to Manila Industries, Inc. which will make the payment to the Trustee.

16. The Chapter 11 Trustee will also receive \$450,000 from the Village Trust. There will be an initial payment of \$125,000 within ten (10) business days after the order approving this Motion becomes final. The balance owed of \$325,000 will be paid to the Trustee in monthly installments of \$50,000 per month. Up to \$18,000 per month will be paid by Netsphere directly to the Chapter 11 Trustee from the revenue of Pokerstar.com (provided that sufficient funds are available in that particular month). The balance shall be paid by the Village Trust from domain name monetization of the Blue Horizon portfolio and the Odd Group portfolio. To secure the Estate's interest in the installment payments in the event of a payment default, the Trustee is receiving a first lien security interest in the domain name Pokerstar.com subject only to a license agreement as described in the Agreement. Additionally, the Trustee is receiving a first lien, priority security interest in the Blue Horizon portfolio as described in the Agreement, as well as a right to receive monetization revenue directly from Hitfarm.com or any other monetization company. Additionally the Trustee will hold an agreed order in trust in the event of a default in the monthly payments.

17. In exchange for the payments to the Estate, the Trustee is releasing certain claims including a debt owed to the Estate pursuant to a Note dated December 31, 2005 in the original principal amount of \$460,000 from Macadamia Management, LLC, the current balance of which is approximately \$600,000. The Trustee is also releasing his claim for approximately \$800,000 owed to Ondova under a Domain Name Renewal Agreement between Manassas LLC and Ondova entered into in March 2009. The Estate is also waiving and releasing certain avoidance action claims related, *inter alia*, to: (a) the transfer of a valuable portfolio of domain names from Ondova to Blue Horizon Limited Liability Company, formerly known as Macadamia Management, LLC in December 2005; and (b) a transfer of domain names from Ondova to Manassas, LLC (nominee for Shiloh LLC, a wholly owned subsidiary of Quantec, LLC – Cook Islands) and to Diamond Key, LLC (nominee of Javelina, LLC, a wholly owned subsidiary of Novo Point, LLC - Cook Islands) which occurred in March, 2009. The Estate is also waiving and releasing claims that it may own an interest in many Blue Horizon domain names which have been jointly monetized between Ondova and Diamond Key, LLC.

18. The Estate is retaining certain assets, including internet domain names (including, but not limited to, "servers.com") as well as the continuing payments from a settlement previously approved by this Court against River Cruise Enterprises of New Zealand.

19. With respect to the other provisions of the settlement, they are contained in the Agreement and resolve and settle a myriad of complex disputes and litigation between the other parties. Parties in interest are urged to review the Agreement which is attached as Exhibit "A" for specifics of those settlements.

V. ARGUMENT AND AUTHORITY

A. The Settlement Should Be Approved Under Bankruptcy Rule 9019

1. Bankruptcy Rule 9019 Standards

20. “One of the goals of Congress in fashioning the Bankruptcy Code was to encourage parties in a distress situation to work out a deal among themselves.” *In re Mirant Corp.*, 334 B.R. 800, 811 (Bankr. N.D. Tex. 2005); see also *Marandas v. Bishop (In re Sassalos)*, 160 B.R. 646, 653 (D. Or. 1993) (“compromises are favored in bankruptcy”). The bankruptcy court approves compromises and settlements pursuant to Bankruptcy Rule 9019, which provides that “on motion by the trustee and after a hearing on notice . . . the court may approve a compromise or settlement.” FED. R. BANKR. P. 9019. Ultimately, approval or denial of a compromise involving a bankruptcy estate is committed to the discretion of the bankruptcy court; an appellate court will reverse only when that discretion has been abused. *In re Jackson Brewing Co.*, 624 F.2d 599, 602-03 (5th Cir. 1980).

21. In deciding whether to approve a proposed settlement agreement or compromise of controversy, a bankruptcy court should consider the following factors:

- a. the probability of success on the merits and the resolution of the dispute;
- b. the complexity of the litigation being settled;
- c. the expense, inconvenience, and delay associated with litigating the dispute; and
- d. all other factors bearing on the wisdom of the compromise, such as the paramount interests of creditors with proper deference to their reasonable views.

Conn. Gen. Life Ins. Co. v. United Companies Fin. Corp. (In re Foster Mortgage Corp.), 68 F.3d 914, 917 (5th Cir. 1995); see also *Jackson Brewing*, 624 F.2d at 602 (citing *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424-425 (1968); *Drexel v. Loomis*, 35 F.2d 800, 806 (8th Cir. 1929)).

22. "In considering these factors, the bankruptcy court must review the facts supporting a compromise, yet not decide the merits of individual issues." *Watts v. Williams*, 154 B.R. 56, 59 (S.D. Tex. 1993). Rather, the bankruptcy court determines whether the settlement is "fair and equitable" as a whole. *Jackson Brewing Co.*, 624 F.2d at 602. Furthermore, while the desires of the creditors are not binding, the court "should carefully consider the wishes of the majority of the creditors." *In re Foster Mortgage Corp.*, 68 F.3d at 917 (citing *In re Transcon. Energy Corp.*, 764 F.2d 1296 (9th Cir. 1985)). While it is necessary for the proponent of a compromise to set forth its factual and legal basis, so the court can make an intelligent and informed evaluation of the proposed settlement, it is not incumbent upon the proponent to present a mini-trial or a full evidentiary hearing. See *Depositer v. Mary M. Holloway Found.*, 36 F.3d 582, 586 (7th Cir. 1994); *Port O'Call Inv. Co. v. Blair (In re Blair)*, 538 F.2d 849, 851-52 (9th Cir. 1976); *In re Drexel Burnham Lambert Group, Inc.*, 134 B.R. 493, 496 (Bankr. S.D.N.Y. 1991). Instead, the obligation of the court is to "canvass the issues and see whether the settlement 'falls below the lowest point in the range of reasonableness.'" *In re Drexel Burnham Lambert Group, Inc.*, 134 B.R. at 496-97 (quoting *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir.), cert. denied sub nom. *Cosoff v. Rodman*, 464 U.S. 822 (1983)).

2. Application Of Bankruptcy Rule 9019 Standards

23. Commencing with his initial appointment, the Trustee was advised by all parties that there needed to be an end to the expensive, long-running litigation. Both the Bankruptcy Court and the District Court, which had become intimately familiar with the combative litigation between the parties, also made it known their strong viewpoint that the litigation finally end. After months of negotiations, a settlement has been reached which ends the years of polarizing and expensive litigation.

24. In analyzing the settlement, the Trustee evaluated a number of other potential

Estate claims and causes of action, including litigation against certain of the settling parties which would involve foreclosure and repossession of internet domain names and their income stream. The Trustee analyzed all of the risks and rewards and determined that, had he begun such litigation, it would likely have resulted in further protracted litigation between the parties. Also, it also would not have resolved the key litigation between Baron, the Netsphere Parties, the Trusts and the V.I. Parties pending in the District Court over the enforceability of the MOU. Litigation to enforce the MOU would be expensive, rancorous and would cause extended delays. The Trustee would necessarily have been a significant participant in the MOU litigation which could have taken at least one to two years just to go to trial. Those delays would prolong the time that Ondova remained in Bankruptcy Court. Under the current proposed settlement, the Trustee believes that creditors will receive a faster return on their claims and will not be burdened with additional delay and litigation costs which would deplete the Estate's resources without a specific guarantee of a recovery.

25. Accordingly, the Trustee submits that this Motion satisfies the standards of Bankruptcy Rule 9019 and the factors the Fifth Circuit considers in evaluating a settlement and compromise and, therefore, respectfully requests the Court to approve the Motion.

VI. PRAYER

WHEREFORE, PREMISES CONSIDERED, the Trustee respectfully requests that the Court enter an order: (i) granting this Motion; (ii) approving the Settlement Agreement; and (iii) granting the Trustee such other and further relief to which he has shown himself to be justly entitled.

Respectfully submitted this 2nd day of July, 2010.

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Raymond J. Urbanik
Raymond J. Urbanik
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**ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was sent to all parties requesting electronic service through the Court's ECF system on July 2, 2010.

/s/ Raymond J. Urbanik

**TRUSTEE'S MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT PURSUANT TO RULE 9019,
FEDERAL RULES OF BANKRUPTCY PROCEDURE – Page 11**

MUTUAL SETTLEMENT AND RELEASE AGREEMENT

THIS MUTUAL SETTLEMENT AND RELEASE AGREEMENT ("Agreement"), effective as of the Settlement Date (as defined below), is entered into on July 2, 2010 by and among the following persons and entities:

1. Munish Krishan ("Krishan"), individually and on behalf of all beneficiaries of the MMSK Trust, a trust organized and established under the laws of the Cook Islands (the "MMSK Trust"), Seema Krishan, individually, Mahnik Krishan, individually, Amani Krishan, individually, Manila Industries, Inc., a California corporation ("Manila"), and Netsphere, Inc., a Michigan corporation ("Netsphere") (hereinafter collectively referred to as the "Manila Parties");
2. Jeffrey Baron, individually and as a beneficiary of and on behalf of all beneficiaries of: (i) the Village Trust, a trust organized and established under the laws of the Cook Islands (the "Village Trust"); (ii) Equity Trust Company IRA 19471; (iii) the Daystar Trust (sole member of Ondova); and (iv) the Belton Trust (sole member of Domain Jamboree, LLC); Jeffrey Baron as Trustee of the Daystar Trust, a trust organized and established under the laws of Texas; and Jeffrey Baron, as Trustee of the Belton Trust, a trust organized and established under the laws of Texas (hereinafter collectively referred to as "Baron");
3. Biju Mathew, Amir Asad, Rohit Krishan, Manish Aggarwal, and Amer Zaveri (hereinafter jointly referred to as the "Manila Related Parties");
4. Ondova Limited Company d/b/a Compana, LLC, a Texas limited liability company ("Ondova" or "Debtor"), debtor in Bankruptcy Case No. 09-34784-SGJ-11 (the "Bankruptcy Case") pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court");
5. Daniel J. (Corky) Sherman, Chapter 11 Bankruptcy Trustee of Ondova ("Sherman" or the "Chapter 11 Trustee");
6. HCB, LLC, a Delaware limited liability company, and HCB, LLC, a USVI limited liability company (individually or collectively, "HCB"), Realty Investment Management, LLC, a Delaware limited liability company, Realty Investment Management, LLC, a USVI limited liability company (individually or collectively, "RIM"), Simple Solutions, LLC, a USVI limited liability company ("Simple Solutions"), Search Guide, LLC, a USVI limited liability company ("Search Guide") and Blue Horizon Limited Liability Company, a USVI limited liability company ("Blue Horizon") (hereinafter jointly referred to as the "USVI LLCs");
7. Four Points Management, LLLP, a USVI limited liability limited partnership and sole member of each of the USVI LLCs ("Four Points");
8. Marshden, LLC, a USVI limited liability company and general partner of Four Points ("Marshden");
9. Novo Point, Inc., a USVI corporation ("Novo Point"), Iguana Consulting, Inc., a USVI corporation ("Iguana Consulting"), and Quantec, Inc., a USVI corporation ("Quantec") (hereinafter collectively referred to as the "USVI corporations") (USVI LLCs, Four

- Points, Marshden, and USVI corporations hereinafter collectively referred to as the "USVI Entities");
10. Jeanne Hudson ("Hudson"), Denis Kleinfeld ("Kleinfeld"), individually and on behalf of all officers, directors, managers, members and employees of each of the USVI Entities (hereinafter collectively referred to as the "USVI Officers") (USVI Entities and USVI Officers, inclusive of Hudson, are hereinafter collectively referred to as the "USVI Parties");
 11. Charla Aldous ("Aldous"), Jeff Rasansky ("Rasansky"), and Ron Sheridan ("Sheridan") (hereinafter collectively referred to as the "Interested Parties");
 12. Shiloh, LLC, a Delaware limited liability company ("Shiloh"), the member of which is Quantec LLC and the manager of which is Novquant LLC;
 13. Manassas, LLC, a Texas limited liability company ("Manassas");
 14. Byron Dean, sole member of Manassas ("Dean");
 15. Bud Branstetter, manager of Manassas ("Branstetter");
 16. Javelina, LLC, a Delaware limited liability company ("Javelina"), the member of which is Novo Point LLC and the manager of which is Novquant LLC;
 17. Diamond Key, LLC, a Texas limited liability company ("Diamond Key");
 18. Nina deVassal, sole member and manager of Diamond Key ("deVassal");
 19. The Village Trust and Asiatrust Limited as Trustee of the Village Trust, a trust organized and established under the laws of the Cook Islands (hereinafter collectively referred to as the "Trustee of the Village Trust");
 20. The MMSK Trust and Asiatrust Limited as Trustee of the MMSK Trust, a trust organized and established under the laws of the Cook Islands (hereinafter collectively referred to as the "Trustee of the MMSK Trust");
 21. Iguana Consulting LLC, a Cook Islands limited liability company, Novo Point LLC, a Cook Islands limited liability company, and Quantec LLC, a Cook Islands limited liability company (hereinafter collectively referred to as the "Trust LLCs") (Shiloh, Manassas, Javelina, Diamond Key, the Trust LLCs, Dean, Branstetter, deVassal, Trustee of the Village Trust, and Asiatrust Limited are hereinafter collectively referred to as the "Trusts");
 22. Equity Trust Company, a South Dakota trust company, as Custodian of IRA 19471 and as successor in interest of Mid Ohio Securities as Custodian of IRA 19471 ("Equity Trust");
 23. Manoj Krishan, individually;
 24. CallingCards.com, LLC, a Texas limited liability company ("CC.com");

25. Domain Jamboree, LLC, a Wyoming limited liability company (“DJ”) and the Belton Trust as the sole member of DJ (hereinafter collectively referred to as “Domain Jamboree Parties”); and
26. ID Genesis, LLC, a Utah limited liability company (“ID”) and Netsphere, Inc. as the sole member of ID (hereinafter collectively referred to as “ID Genesis Parties”).

The aforementioned parties may also sometimes be collectively referred to in this Agreement as the “Parties” and each, individually as a “Party”.

**I
RECITALS:**

WHEREAS, on November 14, 2006, Baron and Ondova filed a civil cause in the District Court, Dallas County, Texas, 68th Judicial District, styled, *Ondova Limited Company, et al., vs. Manila Industries, Inc.*, Cause No. 06-11717, in which Baron and Ondova alleged claims more fully described in Plaintiffs’ Petition and First through Sixth Amended Petitions (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Baron Claims” and/or “Texas Case”); and

WHEREAS, on November 15, 2006, Manila, Netsphere and Krishan filed a civil cause against Ondova, RIM, HCB and Baron in the United States District Court for the Central District of California, Southern Division, styled *Manila Industries, Inc, Netsphere, Inc., and Munish Krishan vs. Ondova, Limited Co., d/b/a Compana, LLC*; Realty Investment Management, LLC, HCB, LLC; and Jeffrey Baron, Case No. SACV 06-1105 AG (ANx) (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Manila Claims” and/or “California Case”); and

WHEREAS, on September 27, 2007, Simple Solutions filed a civil cause against Ondova in the District Court of the Virgin Islands, Division of St. Thomas & St. John, styled *Simple Solutions, LLC vs. Ondova Limited Co, LLC d/b/a Compana, LLC*, No. 3:07-CV-123 (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Simple Solutions Claims” and/or “VI Case”); and

WHEREAS, on May 28, 2009, Krishan, Manila and Netsphere filed a civil cause against Ondova and Baron in the United States District Court for the Northern District of Texas, Dallas Division, in which Aldous and Rasansky have intervened and the Trust LLCs have requested leave to intervene, styled, *Netsphere, Inc., et al. vs. Jeffrey Baron, et al.*, Case No. 3:09-CV-0988-F (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Dallas Federal Case”); and

WHEREAS, on July 27, 2009 Ondova filed for Chapter 11 protection under the Bankruptcy Code (as defined below) in the Bankruptcy Court (the “Petition Date”). Sherman was appointed Chapter 11 Trustee on September 17, 2009; and

WHEREAS, on February 12, 2007, HCB and Simple Solutions filed a civil cause against Oversee.net in the District Court of the Virgin Islands, Division of St. Thomas-St. John, styled *HCB, LC and Simple Solutions, LLC, v. Oversee.net*, Case No. 3:07-CV-00029-CVG (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “USVI Oversee Lawsuit”); and

WHEREAS, on November 6, 2009 Oversee.net filed a claim for breach of contract and fraud against Simple Solutions, LLC, a USVI limited liability company, HCB, LLC, a Delaware Limited Liability Company and Does 1 to 10 in the United States District of California, Case No. CV09-08154-OOW (RZx) ("Cal. Oversee Suit"); and

WHEREAS, on November 12, 2009, Manila and Netsphere filed a civil cause against Oversee.net and Doe 1 through Doe 10 in the Superior Court of the State of California, styled *Manila Industries, Inc. a California corporation; Netsphere, Inc., a Michigan corporation vs. Oversee.net, a California corporation; and DOE 1 through DOE 10, inclusive*, Case No. BC425821 (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the "Manila Oversee Lawsuit"); and

WHEREAS, on November 2, 2008, Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron as Beneficiary of Equity Trust Company FBO IRA 19471 filed a civil case in the 68th Judicial District, Dallas County, Texas, against Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan, styled *Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron As Beneficiary of Equity Trust Company FBO IRA 19471 vs. Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan*, Cause No. DC08-13925-C (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the "Phonecards.com Case") (the Texas Case, California Case, VI Case, Dallas Federal Case and Phonecards.com Case are collectively referred to herein as the "Underlying Cases"); and

WHEREAS, all Parties generally and/or specifically have denied the allegations made against them and asserted various defenses and other matters as described more fully in their responsive pleadings, all of which are incorporated by reference for all purposes into this Agreement; and

WHEREAS, the Parties to this Agreement desire to avoid the necessity, expense, inconvenience and uncertainty of further litigation and fully and finally resolve all matters by and among them and all known and unknown claims, counterclaims and cross-claims that have, or could have been, plead in the past by any of the Parties hereto, arising out of, or in any way related to, the cases, lawsuits and disputes among them; and

WHEREAS, it is the desire of the Parties to separate any and all business by, between and among themselves;

NOW, THEREFORE, for and in consideration of the above recitals, which recitals are contractual in nature, the mutual promises, mutual general releases and agreements herein contained, and for other good and valuable consideration, the receipt of which are hereby acknowledged, the Parties hereto do hereby covenant, agree and contract as follows:

II
AGREEMENTS:

1. **Payment of Cash.** In consideration of the provisions of this Agreement, including, without limitation, the Recitals and general releases, at the direction of the Village Trust, Manila will deliver One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) by wire transfer to the Chapter 11 Trustee (the "Cash Payment"), which delivery shall be made on behalf of the Village Trust in accordance with the wire instructions provided by Raymond J. Urbanik to John MacPete by email dated June 7, 2010, as may be updated with written notice from the Chapter 11 Trustee to Netsphere at least thirty (30) days prior to any date on which payment is due (the "Cash Payment Instructions"), on the later of: (i) the date which is thirty (30) days after the Settlement Date or ninety (90) days after a 9019 motion is filed with the Bankruptcy Court to approve this Agreement (such applicable date, the "Transfer Date"). The Chapter 11 Trustee will use the Cash Payment and the Deferred Payment (as defined below) to pay creditors, administrative costs and any and all other expenses associated with Ondova's bankruptcy estate (the "Estate").

2. **Deferred Payment and Unsecured Claim.**
 - A. Manila hereby promises to pay the Village Trust the sum of Six Hundred Thousand Dollars (\$600,000) ("Deferred Payment"), together with simple interest thereon calculated as provided in this subsection A. The following provisions are applicable to the Deferred Payment:
 - (i) The Deferred Payment and interest thereon is due and payable in full on or before the second anniversary of the Transfer Date (such date, the "Maturity Date").
 - (ii) Noncompounding simple interest shall accrue at the rate of ten percent (10%) per annum (computed on the basis of a three hundred sixty-five (365) day year and the actual number of days elapsed in a year) on the unpaid principal amount of the Deferred Payment outstanding from time to time, or (if less) the highest rate then permitted under Texas law. Any accrued interest which for any reason has not theretofore been paid shall be paid in full on the Maturity Date.
 - (iii) Manila may, at any time and from time to time without premium or penalty, prepay all or a portion (in whole number multiples of \$1,000 only) of the outstanding principal amount (and any accrued and unpaid interest thereon) of the Deferred Payment.
 - (iv) Payments made by Manila shall be applied (a) first, to the payment of all accrued and unpaid interest, (b) second, to the payment of principal of the Deferred Payment), and (c) the balance, if any, to Manila.
 - (v) Interest payable on the outstanding principal balance of the Deferred Payment starts as of the first day of the fourth (4th) full calendar month after the Transfer Date (the "Payment Commencement Date") and shall be paid on a quarterly basis, commencing on the Payment Commencement Date (and the first quarterly payment will be for the period between the Transfer Date and the day immediately preceding the Payment Commencement Date), and continuing on the first day of each quarter thereafter until the Maturity Date, at which time all outstanding principal and interest shall be due and payable in full.

- (vi) Manila's obligations to pay the Deferred Payment to the Village Trust shall be secured by a pledge of the domain name *FreeSex.com* pursuant to the Security Agreement (as defined below).
 - (vii) All payments to be made pursuant to the provisions of this Section 2 by Manila to the Village Trust shall be made in the lawful money of the United States of America in immediately available U.S. funds by wire transfer in accordance with the wire instructions provided by Craig Capua to John MacPete by email dated June 7, 2010, and as may be updated with written notice from the Village Trust to Manila at least thirty (30) days prior to any date on which payment is due. Furthermore, the Village Trust may direct Manila to pay Equity Trust, which payments shall be made on behalf of the Village Trust, pursuant to an agreement between Equity Trust and the Village Trust; provided, the Village Trust must provide Manila at least thirty (30) days prior written notice of the wiring instructions for such payment to Equity Trust.
- B. On the Transfer Date, Manila will execute and deliver to the Village Trust a security agreement (the "Security Agreement") in the exact form attached hereto as Exhibit A.
- C. The Chapter 11 Trustee hereby grants Aldous and Rasansky (hereinafter collectively referred to as the "Rasansky Parties") a general unsecured claim in the amount of Two Hundred Thousand Dollars (\$200,000) against the Estate. In the event the Rasansky unsecured claim is not paid in full by the Estate, within thirty (30) days of a written request from the Rasansky Parties, Jeffrey Baron agrees to pay the Rasansky Parties an amount equal to the difference between Two Hundred Thousand Dollars (\$200,000) and the actual amount paid on the unsecured claim by the Estate (and, if requested by Jeffrey Baron, the Village Trust agrees to make a distribution to Jeffrey Baron for such purpose).

3. Split of Disputed Domain Names.

- A. Each of the Manila Parties represent and warrant to Baron, the Trusts, the Chapter 11 Trustee and Ondova that the Even Group Portfolio of domain names (as defined in Paragraph 3 of the June 26, 2009, Preliminary Injunction in the Dallas Federal Case [Preliminary Injunction]) and the domain names in the Restore List (as defined in Paragraph 5(e) of the Preliminary Injunction) collectively represent the accurate list of domain names referred to herein as the "Even Group Portfolio."
- B. Each of Baron, the Trusts, the Chapter 11 Trustee and Ondova represent and warrant to the Manila Parties that the Odd Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Allocated Names List (as defined in Paragraph 5(d) of the Preliminary Injunction) that have not expired, been deleted, or been transferred to an unrelated third party by the Manila Parties, as of the Transfer Date (the "Remaining Allocated Names") collectively represent the accurate list of domain names referred to herein as the "Odd Group Portfolio".
- C. As of the Settlement Date, each of the Manila Parties (except for Manila), the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Even Group Portfolio Quitclaiming Parties") quitclaim any interest in the Even Group Portfolio to Manila, and make an express quitclaim to Manila and disavow all rights of every kind, nature and description, if any, they may have, or ever

had, in and to all rights related to the Even Group Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after the Settlement Date from the domain names and related rights in the Even Group Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Even Group Portfolio are irrevocable.

- D. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Quantec LLC), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the “Odd Group Portfolio Quitclaiming Parties”) quitclaim any interest in the Odd Group Portfolio to Quantec LLC, and make an express quitclaim to Quantec LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the Odd Group Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after the Settlement Date from domain names and related rights in the Odd Group Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Odd Group Portfolio are irrevocable. Further, on or before the Transfer Date, Manila shall (i) provide a list of Remaining Allocated Names to the Village Trust and Jeffrey Baron through their attorneys, Craig Capua at craig.c@WestLLP.com and Gerrit Pronske at gpronske@pronskepatel.com, (ii) e-mail Gay Nee (gaynee@webnic.cc) with the list of Remaining Allocated Names, and (iii) request Gay Nee to update the Whois information for the Remaining Allocated Names with the following contact information:

Whois Identity Shield
Post Office Box 152
Britton's Hill
St. Michael, Barbados
Phone: (604) 484-4206
E-mail:
ScGRuPjmxwuKTbEIXkcvQzHx+nKvp1NduvKTpOpDGTDCITozwGM=@2010.identityshield.com

The Manila Parties are not required to incur any out-of-pocket expenses in connection with any transfer of the Remaining Allocated Names to Quantec LLC.

Fifteen (15) days after the Transfer Date shall be referred to as the “Transfer Implementation Period.” Quantec LLC will pay funds sufficient to the registrar for the purposes of transferring and renewing the Remaining Allocated Names. Ondova, or other registrar appointed by Quantec LLC, agrees to insure that the Remaining Allocated Names will be transferred to the registrar during the Transfer Implementation Period and implement such transfer.

- E. From and after the Settlement Date, the Estate shall continue to own the domain name *servers.com*, which domain name shall, if necessary, be liquidated, pursuant to Section 363(b) of the Bankruptcy Code (as defined below) or pursuant to a plan, to fund costs of administration of the Bankruptcy Case and amounts needed with respect to a plan of reorganization or liquidation, if feasible, with respect to Ondova (the “Ondova Plan”). Additionally, it is expressly understood and agreed by the Parties that at no time prior to the Settlement Date does the Chapter 11 Trustee waive any claim of ownership or

otherwise to other domain names in the Odd Group Portfolio, the Blue Horizon Portfolio and the Excluded Disputed Domains (as defined below). As used herein, "Excluded Disputed Domains" means the list of twelve (12) domain names identified in an e-mail from Raymond J. Urbanik to Gerrit Pronske on June 2, 2010.

4. **Blue Horizon Names.** As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Novo Point LLC), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Blue Horizon Quitclaiming Parties") quitclaim any interest in any and all domain names that previously were registered through Ondova, exclusive of the Even Group Portfolio, the Odd Group Portfolio and any domain name not registered through or at Ondova as of February 22, 2010, and exclusive of *pokerstar.com* (which is addressed in Section 6 below), *servers.com* and the Excluded Disputed Domains (the "Blue Horizon Portfolio"), to Novo Point LLC and make an express quitclaim to Novo Point LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the Blue Horizon Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any and all income that may be derived from and after the Settlement Date from domain names and related rights in the Blue Horizon Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Blue Horizon Portfolio are irrevocable.
5. **Searchguide.com.** As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Novo Point LLC), the Chapter 11 Trustee and Ondova (the "SearchGuide.com Quitclaiming Parties") quitclaim any interest in the domain name *searchguide.com* to Novo Point LLC and make an express quitclaim to Novo Point LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the domain name *searchguide.com*, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from *searchguide.com* from and after the Settlement Date; provided, such quitclaim is strictly limited to the domain name itself and excludes: (i) any website that appeared on *searchguide.com*, (ii) any software associated with *seachguide.com*, and (iii) any other content or intellectual property related to *searchguide.com* (collectively "Searchguide Software"). All rights granted, if any, and the related abandonment of claims and interests in the domain name *searchguide.com* are irrevocable.
6. **Pokerstar.com.**
 - A. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for the Village Trust), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Pokerstar.com Quitclaiming Parties") quitclaim any interest in the domain name *pokerstar.com* to the Village Trust, and make an express quitclaim to the Village Trust and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the domain name *pokerstar.com*, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from *pokerstar.com* from and after the Settlement Date, provided, such quitclaim is strictly limited to the domain name itself and excludes: (i) any website that appeared on *pokerstar.com* developed in whole or in part by the Manila Parties or the Manila Related Parties; (ii) any software associated with *pokerstar.com* developed in whole or in part by

the Manila Parties or the Manila Related Parties; and (iii) any other content or intellectual property related to *pokerstar.com* developed in whole or in part by the Manila Parties or the Manila Related Parties (collectively "Pokerstar Software"). All rights granted, if any, and the related abandonment of claims and interests in the domain name *pokerstar.com* are irrevocable.

- B. As consideration for, and contemporaneously with execution of this Agreement, Manila and the Village Trust shall enter into a license agreement for *pokerstar.com* (the "License Agreement") in the exact form attached as **Exhibit B**. Within five (5) business days after the Settlement Date, Netsphere shall remit in escrow to the Chapter 11 Trustee fifty percent (50%) of the gross revenue actually received by Netsphere for operation of *pokerstar.com* ("Old Pokerstar Revenue") during the period commencing April 1, 2009, and ending June 30, 2010, such remittance to be made by wire transfer in accordance with the Cash Payment Instructions. Commencing on the date which is thirty (30) days after the Settlement Date, and continuing on the same day of each month thereafter until the Transfer Date, Netsphere shall remit in escrow to the Chapter 11 Trustee fifty percent (50%) of the gross revenue actually received by Netsphere for operation of the *pokerstar.com* website (the "Additional Pokerstar Revenue" and, together with the Old Pokerstar Revenue, the "Combined Pokerstar Revenue"), such remittance to be made by wire transfer in accordance with the Cash Payment Instructions (with the first such payment covering the period July 1, 2010, through the Transfer Date). The Chapter 11 Trustee agrees to hold the Combined Pokerstar Revenue in escrow until the earlier of, as applicable: (i) the date of the Settlement Date, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to the Village Trust in accordance with the wire instructions provided by Craig Capua to Raymond J. Urbanik by email dated June 7, 2010, as may be updated with written notice from the Village Trust to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (ii) the date the Bankruptcy Court fails to approve the Final Settlement Order, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to Netsphere within three (3) days of such disapproval in accordance with the wire instructions provided by Ravi Puri to Raymond J. Urbanik by email dated June 7, 2010, as may be updated with written notice from Netsphere to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (the "Pokerstar Payment Instructions") or (iii) the fourth (4th) day after the date the Chapter 11 Trustee receives written notice from Netsphere that any of the Parties failed to perform any of the material provisions of this Agreement, identified with specificity, in the event such failure is not cured within three (3) days after the date of such notice, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to Netsphere in accordance with the Pokerstar Payment Instructions. Notwithstanding the foregoing, such return of the Combined Pokerstar Revenue shall not operate to recharacterize the legal ownership of the funds nor be a waiver by any Party of any claim to such funds.
- C. The Village Trust hereby agrees to pay the Chapter 11 Trustee Four Hundred Fifty Thousand Dollars (\$450,000) (the "Additional Payment"). The Additional Payment shall be paid to the Chapter 11 Trustee by the Village Trust in the following manner: (i) One Hundred Twenty-Five Thousand Dollars (\$125,000) (the "Lump Sum Payment") shall be paid to the Chapter 11 Trustee within ten (10) business days after the Settlement Date (the "Additional Lump Sum Payment Due Date") in accordance with the wire instructions provided by Raymond J. Urbanik to Craig Capua by email dated June 7, 2010, as may be updated with written notice from the Village Trust to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (the "Lump Sum Payment")

Instructions"); and (ii) thirty (30) days after the Additional Lump Sum Payment Due Date (and continuing on the same day of each month thereafter until the Additional Payment has been paid in full) (each a "Monthly Installment"), Fifty Thousand Dollars (\$50,000) shall be paid to the Chapter 11 Trustee as follows: (a) up to Eighteen Thousand Dollars (\$18,000) per month paid by Netsphere directly to the Chapter 11 Trustee from the revenue of Pokerstar if sufficient funds are available from fifty (50%) of the revenue owed to the Village Trust as generated by *pokerstar.com* during the particular month the payment is due; and (b) Thirty-Two Thousand Dollars (\$32,000) per month from the Trusts directly to the Chapter 11 Trustee from domain name monetization of the Blue Horizon Portfolio and the Odd Group Portfolio (collectively, the "Portfolios"). With respect to the Monthly Installments being paid by the Trusts from the domain name monetization of the Portfolios, each Monthly Installment shall be considered an advance made to the Trustee for payment of administrative costs of the Estate and payment of creditor claims. In the event there are surplus funds from such advances available in the Estate after the payment of administrative costs and an eighty percent (80%) distribution to general unsecured creditors of Ondova pursuant to a Plan of Reorganization, the Chapter 11 Trustee shall return to the Trusts an amount equal to the surplusage. In no other instance shall the Chapter 11 Trustee have any obligation to return any of such advances. To secure the obligation of the Village Trust to the Chapter 11 Trustee with respect to the Additional Payment, on the Settlement Date, (x) the Village Trust shall:

- (i) grant the Chapter 11 Trustee a first lien security interest in the domain name *pokerstar.com*, which is subordinate to the License Agreement attached as Exhibit B and which security interest shall be evidenced by a security agreement (the "Pokerstar Security Agreement") in the exact form attached hereto as Exhibit C; (y) the Village Trust and the Chapter 11 Trustee will each execute three (3) partially executed originals of an escrow agreement in the exact form attached hereto as Exhibit D (the "Pokerstar Escrow Agreement"), which escrow agreement shall name and be delivered to Gracy Title Company, 100 Congress Avenue, Suite 100, Austin, Texas 78701 (Attn: Elizabeth Young) as "Escrow Agent" for the purposes of holding and dealing with the assignment of the domain name *pokerstar.com*; and (b) in connection with the Pokerstar Escrow Agreement, the Village Trust shall execute and deliver an original of an assignment (the "Pokerstar Assignment"), which shall be in the exact form attached hereto as Exhibit E;
- (ii) execute and deliver to the Chapter 11 Trustee prior to the Settlement Date a new domain registration agreement with Ondova for each of the Portfolios (each a "New Domain Name Registration Agreement") which, until the Additional Payment has been paid in full, is non-cancelable without the prior written consent of the Chapter 11 Trustee (which consent may be withheld, conditioned or delayed in the sole discretion of the Chapter 11 Trustee), provides that (as applicable), exclusive of the Disposed Names (as defined below) and Released Names (as defined below), there shall be no change in monetization from *hitfarm.com* and contains a provision that upon an Uncured Default (as defined below), the Chapter 11 Trustee is authorized to immediately seek to be paid, and *hitfarm.com* shall pay to the Chapter 11 Trustee promptly after receipt of a Default Notice (as defined below), the revenue generated from the Portfolios by *hitfarm.com*;

- (iii) execute and deliver to the Chapter 11 Trustee prior to the Settlement Date a new monetization agreement with *hitfarm.com* for each of the Portfolios (each a "New Monetization Agreement") which, until the Additional Payment has been paid in full, is non-cancelable without the prior written consent of the Chapter 11 Trustee (which consent may be withheld, conditioned or delayed in the sole discretion of the Chapter 11 Trustee), provides that there shall be no change in monetization from *hitfarm.com* and contains *hitfarm.com*'s agreement, in accordance with the revenue payment provisions of subsection (ii) above, to directly pay the Chapter 11 Trustee the revenue generated from the Portfolios by *hitfarm.com* from and after receipt of the Default Notice; and
- (iv) Grant the Chapter 11 Trustee a first lien security interest in the Blue Horizon Portfolio, which security interest shall be evidenced by a security agreement (the "Blue Horizon Security Agreement") in the exact form attached hereto as **Exhibit F**.

In addition to the above, (i) the Trusts, Baron and each Party hereto which in any way has control or ownership in the Blue Horizon Portfolio agree to execute an Agreed Order in the form attached hereto as **Exhibit G** providing that, upon an uncured payment default with respect to the Additional Payment, it directs *hitfarm.com* and each other business used to monetize the domain names in the Blue Horizon Portfolio to pay all monetization revenue earned thereon directly to the Chapter 11 Trustee; and (ii) the Trusts and Baron agree to provide monthly reports to the Trustee which state the name of the registrar and monetization company for the names in the Portfolios, and the failure to do, or the report of an unauthorized registrar or monetization company, shall constitute a material default in payment of the Additional Payment.

The Village Trust further agrees that, from and after the Settlement Date, the domain name *pokerstar.com* will not be transferred, re-registered or otherwise conveyed without the prior written consent of the Chapter 11 Trustee and, in such regard, the Trustee of the Village Trust agrees to reasonably cooperate with the registrar of such name and counsel for the Chapter 11 Trustee to insure compliance with such agreement.

As used above, (i) "Disposed Names" means names in the Blue Horizon Portfolio which are reasonably determined by the Village Trust, and agreed in writing by the Chapter 11 Trustee, to be of nominal value and/or, based on intellectual property claims or potential intellectual property claims, to present significant or potentially significant liability to the owner thereof and, therefore allowed to lapse; (ii) "Released Names" means specific names in the Blue Horizon Portfolio which are released in writing by the Chapter 11 Trustee in consideration for the Village Trust's payment of an amount equal to fifty percent (50%) of the greater of the (a) fair market value thereof, as agreed in writing by the Village Trust and the Chapter 11 Trustee, or (b) the sales price paid by a bona fide third party purchaser for value (provided, releases shall not be made if there exists an Uncured Default, releases shall occur no more frequently than once per calendar month, each release request shall be signed by the Village Trust, specify the name(s) requested to be released, the fair market value and (if applicable) sale price of each name and the method of valuation, and at no time shall the remaining value of the names in the Blue Horizon Portfolio be less than an amount equal to one hundred fifty percent (150%) multiplied by a sum equal to the then-outstanding unpaid Lump Sum Payment Monthly Installments); (iii) "Uncured Default" means a breach of any covenant or agreement by Village Trust pursuant to this Section 6, a New Domain Name Registration Agreement or a New Monetization Agreement which is not cured within fifteen (15) days of the date of the Chapter 11 Trustee's notice thereof; and (iv) "Default Notice" means a written notice delivered by the Chapter 11 Trustee which states that an Uncured

Default exists and directs payment of the revenue from the Portfolios to made to the Chapter 11 Trustee.

7. **Domainjamboree.com and IDGenesis.com.**

- A. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron (except for the Belton Trust), the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee and Ondova (the “Domain Jamboree Quitclaiming Parties”) quitclaim any interest to the domain name *domainjamboree.com* and the ICANN Accredited registrar, Domain Jamboree, LLC (collectively “Domain Jamboree”) to the Belton Trust and make an express quitclaim to the Belton Trust and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to Domain Jamboree, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from Domain Jamboree from and after the Settlement Date; provided, such excludes: (i) any website that appeared on *domainjamboree.com*, (ii) any software associated with *domainjamboree.com*, and (iii) any other content or intellectual property related to Domain Jamboree, (collectively “Domain Jamboree Software”). All rights granted, if any, and the related abandonment of claims and interests in Domain Jamboree are irrevocable.
- B. As of the Settlement Date, each of the Manila Parties (except for Netsphere), the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee and Ondova (the “ID Genesis Quitclaiming Parties”) quitclaim any interest to the domain name *idgenesis.com* and the ICANN Accredited registrar ID Genesis, LLC, (collectively “ID Genesis”) to Netsphere, and make an express quitclaim to Netsphere and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to ID Genesis, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived by ID Genesis from and after the Settlement Date. All rights granted, if any, and related abandonment of claims and interests in ID Genesis shall be irrevocable.

8. **Oversee Lawsuit.**

- A. As of the Settlement Date, each of the USVI Parties on behalf of themselves and their legal and beneficial owners (the “Oversee Lawsuit Assignors”) hereby quitclaim all rights, title and interest which may be held by the Oversee Lawsuit Assignors in the claims and causes of action that are or could be asserted by the USVI Parties in the USVI Oversee Lawsuit to Manila, and make an express quitclaim to Manila and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all proceeds derived from the USVI Oversee Lawsuit, including, without limitation, any proceeds collected from a settlement or a judgment in the USVI Oversee Lawsuit. All rights granted by the USVI Parties, if any, and related abandonment of claims and interests in the USVI Oversee Lawsuit shall be irrevocable.

The Oversee Lawsuit Assignors represent that no other Party has any interest in the USVI Oversee Lawsuit. If any of the Manila Parties acquire an interest in Oversee’s claims against Ondova, Baron or the Trusts, the Manila Parties and any of their assignees are estopped from prosecuting such claims from and after the Settlement Date and such claims are forever waived.

Any proceeds derived from any counterclaims, rights of set-off, recoupment, remedies, rights or defenses asserted by the Overseer Lawsuit Assignors in any case against Overseer which are based upon the same subject matter as the affirmative claims and/or causes of action of the Overseer Lawsuit Assignors in the USVI Overseer Lawsuit are hereby quitclaimed and assigned by the Overseer Lawsuit Assignors to Manila.

- B. The Overseer Lawsuit Assignors agree that the USVI Overseer Lawsuit will be prosecuted by the Overseer Lawsuit Assignors at the direction of Manila; provided, such agreement does not constitute an assumption by Manila of any liability of the Overseer Lawsuit Assignors and the Overseer Lawsuit Assignors remain liable for any cause(s) of action or claim(s) that have been or may be brought by Overseer.

Furthermore, each Party, excluding Manila, the Estate and the Chapter 11 Trustee, but including Ondova, from and after the date of confirmation of the Ondova Plan if a Plan is filed and confirmed by the Bankruptcy Court (the "Confirmation Date"), agrees that if Overseer grants it a general release for any and all claims Overseer has against it related to the monetization of the Blue Horizon Portfolio and/or the Even Portfolio and/or the Odd Portfolio domain names by Overseer, such Party shall give a reciprocal general release of any and all claims it has against Overseer related to the monetization of the Blue Horizon Portfolio and/or the Even Portfolio and/or the Odd Portfolio domain names by Overseer.

Notwithstanding the foregoing, each and every Party (except for the USVI Parties) specifically retains any and all of its own: (i) defenses, (ii) rights, (iii) remedies, (iv) counterclaims, (v) rights of setoff, and (vi) recoupment which it may have in the event it is in the future added as a party to any of the lawsuits involving Overseer or Overseer's assignee(s). Subject to Section 8.A. above, the USVI Parties specifically retain any and all of their own: (a) defenses, (b) rights, (c) remedies, (d) counterclaims, (e) rights of setoff, and (f) recoupment which they may have against Overseer or any Overseer assignee.

9. **USVI Entities.** As of the Settlement Date, each of the Manila Parties, in partial consideration for this Agreement, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the Trusts, the Chapter 11 Trustee, the USVI Parties and Ondova agree that:

- A. All capital accounts, other accounts, interest in, distributive shares of, and liquidations shares of USVI corporations, in or of Four Points are deemed by all Parties to stand at Zero Dollars (\$0.00), and all interest in, distributive shares of, and liquidations interests of USVI corporations in Four Points are deemed by all Parties to be equal to zero percent (0%);
- B. In consideration of this Agreement, (i) each USVI corporation has, previously and as of the Settlement Date, no interest in Four Points, (ii) any interest in Four Points owned by a USVI corporation is hereby renounced, and (iii) each USVI corporation is discharged, withdrawn and terminated as a limited partner, partner, associate or affiliate in or with Four Points;
- C. All present and past officers, directors, employees, agents and representatives of each of USVI corporations are deemed to have, and are hereby, resigned and discharged from their respective positions, roles and capacities; and
- D. All Parties to this Agreement (except the USVI Parties) quitclaim any and all interests in or to Four Points and all USVI LLCs to Four Points.

10. **Abatement and Dismissal of Existing Cases.** The Parties acknowledge that the California Case is closed in that the dismissal was appealed but affirmed on June 3, 2009, by the appellate court via *Manila Industries Inc., et al. v. Ondova Limited Co. d/b/a Compana LLC, et al.*, No. 07-55232 (9th Cir. Ct. of Appeals), and any claims brought pursuant to such case are released pursuant to this Agreement and the terms herein. In such regard, each of the Parties agrees, within two (2) business days after the Transfer Date, to execute and deliver to Munsch Hardt Kopf & Harr, P.C., in escrow for filing, and it shall promptly file, Agreed Orders of Dismissal and/or Joint Stipulations of Dismissal with Prejudice in the Texas Case, VI Case, Phoncards.com Case and Dallas Federal Case in the exact form attached hereto as **Exhibits H, I, J and K**, respectively.
11. **Bankruptcy Court Approval.** This Agreement, and its validity, (i) is subject to the Bankruptcy Court's entry of the Final Settlement Order pursuant to Federal Rule of Bankruptcy Procedure 9019, and each of the Parties agrees to cooperate in obtaining the same through a motion seeking such approval; (ii) is subject to the delivery of the Cash Payment to the Chapter 11 Trustee on or before the Transfer Date (herein "**Funding**"); and (iii) notwithstanding anything to the contrary herein, shall not be binding on any of the Parties until the date of the Final Settlement Order **and Funding**. As used herein:
- A. "**Final Settlement Order**" shall mean an order approving this Agreement: (1) as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired, and as to which no appeal, petition for certiorari, stay or other proceeding for reargument or rehearing has been sought or ordered; (2) as to which a timely appeal, petition for certiorari, stay, reargument or rehearing thereof has been sought, but such request resulted in one of the following: (a) the request has been withdrawn, (b) the relief requested has been denied, or (c) the Bankruptcy Court's order shall have been otherwise affirmed by the highest court to which such order was appealed, or from which reargument or rehearing was sought, and no further timely request for appeal, reargument or rehearing may be made; or (3) which the Parties unanimously agree in writing, each in their own discretion, to rely upon following the Bankruptcy Court's entry of the order in question, notwithstanding any timely appeal, petition for certiorari, stay, reargument or rehearing sought with respect to such order by any third party.
- B. "**Settlement Date**" shall mean the day after the date on which the Bankruptcy Court's order approving this Agreement becomes a Final Settlement Order.
- C. **Effectiveness.** For avoidance of doubt, nothing whatsoever contained in this Agreement shall be binding on the Parties prior to the receipt by the Chapter 11 Trustee of the Cash Payment from Manila; and any provisions of this Agreement which are effective or occur prior to receipt of the Cash Payment are null and void if the Cash Payment is not received by the Chapter 11 Trustee.
12. **Intellectual Property.**
- A. The following shall be referred to as the "**Netsphere Software**": (a) domain names registered by Netsphere and/or Krishan and/or their privacy service that are not currently registered via Ondova, excluding the Remaining Allocated Names; (b) any search engine software developed in whole or in part by any of the Manila Parties or Manila Related Parties (hereinafter collectively referred to as the "**Netsphere Parties**"), including, but not limited to, the website, content and search engine software developed for *searchguide.com*, (herein, the "**Search Engine Software**"), (c) any software used to identify domain names to register developed in whole or in part by any of the Netsphere Parties (the "**Registration Software**"); (d) any trademark filtering software developed in

whole or in part by any of the Netsphere Parties (the "Filtering Software"); (e) any monetization/domain name parking software developed in whole or in part by any of the Netsphere Parties; (f) the content of any and all websites developed in whole or in part by any of the Netsphere Parties, including, but not limited to, Searchguide Software, Pokerstar Software, and Domain Jamboree Software; and (g) all intellectual property developed in whole or in part by any of the Netsphere Parties. Any software developed in whole or in part by the Netsphere Parties belongs to Netsphere and is freely transferable by Netsphere. It is explicitly agreed that any trademark filtering software or code developed in whole or in part by any of the Netsphere Parties; any registration software or code developed in whole or in part by any of the Netsphere Parties; any search engine software or code developed in whole or in part by any of the Netsphere Parties; and any monetization software or code developed in whole or in part by any of the Netsphere Parties that is in any of the Netsphere Parties' possession belongs to Netsphere and is freely transferable by Netsphere.

- B. Except as expressly provided in this Section 12, effective as of the Settlement Date, each of the Parties, including, but not limited to, the Netsphere Parties (except for Netsphere), the Trustee of the MMSK Trust, the USVI Parties, the Interested Parties, the Trusts, the Chapter 11 Trustee, Baron and Ondova (the "Netsphere Software Quitclaiming Parties") hereby assigns, transfers, and sets over all of its rights, title and interest in the Netsphere Software, expressly quitclaims to Netsphere, and disavows all rights of every kind, nature and description, if any, they may have, or ever had, in and to the Netsphere Software and all rights related thereto, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from and after the Settlement Date with respect to the Netsphere Software. All rights granted, if any, and all related abandonment of claims and interests in Netsphere Software are irrevocable.
- C. Each of Baron, Ondova, the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties represent, warrant and agree to each other that Baron, Ondova and the Estate do not have any software or code in their possession that was developed in whole or in part by the Netsphere Parties. Each of Baron, Ondova and the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties further represent, warrant and agree to each other that the Netsphere Parties do not have any software or code developed solely by Baron, Ondova or the Estate. Each of Baron, Ondova and the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties represent and warrant to each other that: (i) DP Communications has not utilized any software or code from Baron or Ondova in connection with any software development or other work DP Communications did for the Netsphere Parties and has not transferred any software or code from Baron or Ondova to the Netsphere Parties; and (ii) DP Communications has not utilized any software or code from the Netsphere Parties in connection with any software development or other work DP Communications did for Baron or Ondova and has not transferred any software or code from the Netsphere Parties to Baron or Ondova.

- D. Based upon the foregoing representations in Section 12.C., the Netsphere Parties agree that anything in Ondova or Baron's possession is owned by Baron and is freely transferable by Baron. Further, the Netsphere Parties explicitly agree that any software or code previously or currently used by Ondova in connection with the registration of domain names, including, but not limited to, (i) any software or code used to fulfill the registrar's obligations under paragraph 3 of the ICANN Registrar Accreditation Agreement, as may be amended from time to time (currently located at: <http://www.icann.org/en/registrars/ra-agreement-21may09-en.htm>), (ii) any software or code necessary to interact with a domain name registry (which may include the acceptance or refund of a fee for the registration, transfer or renewal of a domain name); (iii) any software or code to provide access to an administrator or domain name registrant to update the WHOIS information, nameserver information and/or IP address information for a domain name; (iv) drop-catching software or code; (v) software or code used to identify domain names to register; and (vi) software or code that performs a search function on an internal registrar database; and explicitly excluding any (a) monetization software; (b) search engine-related software; (c) trademark filtering software; and (d) domain parking or pay-per-click software (said exclusions do not invalidate the explicit inclusions in (i)-(vi) and said inclusions will control over the exclusions in the event of conflict between said inclusions and exclusions), is Baron's and is freely transferable by Baron. Any software solely developed by Baron and/or Ondova is freely transferable by such Party, excluding any software that was developed in part by Netsphere.
- E. As of the Settlement Date, each of Baron, Ondova, and the Estate hereby assigns, transfers and sets over all of his or its rights, title and interest in any software or code solely developed by Baron and/or Ondova that is in the Netsphere Parties' possession (the "Netsphere Additional Software"), expressly quitclaims to Netsphere and disavows all rights of every kind, nature and description, if any, he or it may have, or ever had, in and to the Netsphere Additional Software and all rights related thereto, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill and the income that may be derived from and after the Settlement Date with respect to the Netsphere Additional Software. All rights granted, if any, and all related abandonment of claims and interests in Netsphere Additional Software are irrevocable.
- F. As of the Settlement Date, Netsphere grants to Jeffrey Baron, Ondova and the Trust LLCs a non-exclusive, non-transferable, royalty-free, worldwide license (the "Baron License") to use and reproduce the Netsphere Software and make derivative works based on the Netsphere Software that, as of the Settlement Date, is lawfully in Ondova or Baron's possession and has not been obtained by any fraudulent or illegal means, in violation of any state's or federal law, or by hacking into or otherwise illegally accessing Netsphere's servers or computers without Netsphere's express permission, as determined by a court of competent jurisdiction by a final order; provided, the Baron License excludes any right to distribute, sell, rent, lease and/or license or sublicense the Netsphere Software and/or derivative works based on the Netsphere Software for a period of thirty-one and one-half (31.5) months commencing on the Settlement Date. Upon expiration of the thirty-one and one-half (31.5) month period, the foregoing license in this Section 12.F. becomes freely transferable in whole or in part and shall then include the right to distribute copies. The foregoing license in this Section 12.F. may be extended at Baron's option to up to six (6) to-be-formed entities for Jeffrey Baron provided that Netsphere receives prior written notice of any such prospective extension of

the license along with a confirmation in writing under oath from Jeffrey Baron that the ownership of the new licensee comports with the ownership requirements of this Section 12.F, and, with respect to three (3) of such entities, the name and place of formation of such entities to receive the license, provided that the ownership of such entities shall be either: (i) wholly owned by Jeffrey Baron; (ii) owned directly through one or more wholly owned subsidiaries of (a) an entity wholly owned by Jeffrey Baron or a trust of which any of the Trusts, Ondova, Jeffrey Baron or a third party (who has no direct or indirect, legal or beneficial, interest whatsoever in Baron or any entity or trust of which Baron has any direct or indirect, legal or beneficial, interest of any kind) are the settlor and Jeffrey Baron is the sole primary beneficiary (such trust may have one or more contingent beneficiaries so long as such beneficiaries are 501(c)(3) charities or beneficiaries that are contingent upon the death of Jeffrey Baron) or (b) a wholly owned subsidiary of an entity wholly owned by Jeffrey Baron or a trust of which any of the Trusts, Ondova, Jeffrey Baron or a third party (who has no direct or indirect, legal or beneficial, interest whatsoever in Baron or any entity or trust of which Baron has any direct or indirect, legal or beneficial, interest of any kind) are the settlor and Jeffrey Baron is the sole primary beneficiary (such trust may have one or more contingent beneficiaries so long as such beneficiaries are 501(c)(3) charities or beneficiaries that are contingent upon the death of Jeffrey Baron); or (iii) identical to the current ownership of Ondova or the Trust LLCs. During the thirty-one and one-half (31.5) month period commencing on the Settlement Date, any change in the current ownership of Ondova, the Trust LLCs or in the initial ownership of the to-be-formed entities shall be a sale or transfer in material breach of the license granted to that entity in this Section 12.F and shall result in termination of that license (only with respect to the entity in breach), except where the change in ownership comports with (i)-(iii) in this Section 12.F, as confirmed in writing under oath by Jeffrey Baron. To the extent an entity granted a license under this Section 12.F terminates the license prior to a change in its ownership, the change in ownership shall not be a material breach of the license (the Parties acknowledge and agree that any entity that has terminated its license under Section 12.F has done so permanently and cannot obtain another such license).

- G. As of the Settlement Date, Netsphere grants to Jeffrey Baron, Ondova and the Trust LLCs a non-exclusive, transferable, royalty-free, worldwide license to use, reproduce, and distribute copies of the Netsphere Additional Software and make derivative works based on the Netsphere Additional Software.

13. **Phoncards Settlement.**

- A. In order to resolve the claims in the Phoncards.com Case, the Parties agree that: (i) CC.com shall retain its fifty percent (50%) ownership interest in the domain name *phoncards.com* (the "CC Interest") until the second anniversary of the Transfer Date (the "Anniversary Date"); and (ii) effective as of the first day following the Anniversary Date and continuing for a period of sixty (60) days thereafter (the "Option Period"), Equity Trust shall have the option ("Option") to purchase the CC Interest for Ten Thousand Dollars (\$10,000.00) (the "PC Purchase Price"). In the event Equity Trust desires to purchase the CC Interest, Equity Trust shall exercise the Option by delivering written notice to CC.com (the "Notice") of Equity Trust's exercise of the Option and a wire transfer of the PC Purchase Price in accordance with the wire instructions provided by Ravi Puri to Eric Taube, Craig Capua and Elizabeth Schurig by email dated June 7, 2010, as may be updated with written notice from CC.com to Jeffrey Baron (via the email address provided by email from Gary Lyon to Ravi Puri on June 22, 2010) at least thirty (30) days prior to any date on which payment is due (the "Phoncards Payment").

Instructions”), on or before 5:00 p.m., Dallas, Texas, time on the last day of the Option Period. In the event Equity Trust exercises the Option by timely delivery of the Notice and payment of the PC Purchase Price, CC.com shall promptly deliver to Equity Trust an assignment of the CC Interest in substantially the form attached hereto as Exhibit L. Time is of the essence with respect to the Option and, in the event Equity Trust fails to timely deliver the Notice and pay the PC Purchase Price, effective immediately upon expiration of the Option Period, the Option shall lapse and be of no further and effect and Equity Trust shall have no right to purchase the CC Interest.

- B. CC.com is aware that Equity Trust hired Speedypin in August 2009 to operate the *phonecards.com* website and that Equity Trust is not operating the *phonecards.com* website. Equity Trust shall (i) provide CC.com with the login username and password for the *phonecards.com* account(s) with Speedypin within five (5) business days after the date the 9019 motion is filed with the Bankruptcy Court (the “9019 Filing Date”), and (ii) notify CC.com of any updates to such login username and password within five (5) business days of any change. Equity Trust shall further pay and deliver to CC.com fifty percent (50%) of the revenue for *phonecards.com* and supporting documentation for such revenue (which documentation is available via *speedypin.com*’s website as of the date of this Agreement) (collectively, the “PC Items”) on a monthly basis commencing on the 9019 Filing Date and continuing through the Option Period until such time as CC.com no longer retains its CC Interest. Equity Trust shall use its best efforts to have Speedypin, or any other such operator of *phonecards.com*, within two (2) months of the 9019 Filing Date, (a) send any outstanding and future PC Items directly to CC.com, and (b) on the same day any revenue is sent to Equity Trust, deliver such revenue to CC.com pursuant to the Phonecards Payment Instructions (or by check to CC.com at 9821 Katy Freeway, Suite 101, Houston, TX 77024). If Speedypin, or any other such operator of *phonecards.com*, does not agree to send CC.com any of the PC Items within two (2) months of the 9019 Filing Date, the obligations shall remain with Equity Trust to do so by the fifth (5th) business day of each month, with revenue to be paid pursuant to the Phonecards Payment Instructions. The Parties agree that this Agreement (including the releases contained herein) does not replace any existing or future continuing obligations that may exist, if any, under the terminated *phonecards.com* agreement that was effective as of August 1, 2001 (“Phonecards.com Agreement”), including, but not limited to, the last sentence of paragraph 9 of the Phonecards.com Agreement. Equity Trust and CC.com will submit an order to the 68th District Court directing CC.com to provide certain information from the Phonecards.com database to Equity Trust. Compliance with that order will be in full satisfaction of any of CC.com’s obligations under paragraph 9 of the Phonecards.com Agreement to produce or provide information from the even numbered records in the Phonecards.com database.

14. **Proofs of Claim.** As consideration for this Agreement, including, without limitation, the cooperation of the Chapter 11 Trustee, any and all proofs of claim filed in the Bankruptcy Case by the Parties hereto or debts listed in Ondova’s bankruptcy schedules are hereby waived and withdrawn as of the Settlement Date. Upon the request of the Chapter 11 Trustee, each Party agrees to promptly execute and deliver to the Chapter 11 Trustee a release of proof of claim form or other appropriate document evidencing the withdrawal of such Party’s proof of claim.

15. **Mutual General Release.**

- A. As part of the consideration for the promises exchanged herein, from the beginning of time to the date of the Final Settlement Order, except as specifically provided herein

regarding the enforcement of this Agreement, each Party and its respective heirs, family members, executors, divisions, affiliates, subsidiaries, parents, branches, predecessors, successors, assigns, and, with respect to such persons, their past, present and future officers, directors, managers, trustees, employees, servants, agents, shareholders, members, investors, administrators, general or limited partners, representatives, insurers, fiduciaries, advisors, attorneys, affiliates, and other agents fully, completely, unconditionally and forever, RELEASES and DISCHARGES each other Party and its respective heirs, family members, executors, divisions, affiliates, subsidiaries, parents, branches, predecessors, successors, assigns, and, with respect to such persons and individuals (inclusive of any and all capacities, including, without limitation, professional, fiduciary, representational, individual and personal) their past, present and future officers, directors, managers, trustees, employees, servants, agents, shareholders, members, investors, administrators, general or limited partners, representatives, insurers, fiduciaries, advisors, attorneys, affiliates, and other agents, from any and all agreements, compensation, complaints, controversies, costs, damages, debts, demands, expenses, grievances, losses of service, promises, claims, causes of action, rights, remedies, duties, obligations, actions, omissions, loss, or liability whatsoever, whether known or unknown, directly or indirectly arising from or out of, growing out of, based upon, in whole or in part, or attributable to, events, acts or omissions occurring in whole or part from the beginning of time through to the date of the Final Settlement Order, regardless of whether any such claims or causes of action have yet accrued.

- B. Further, notwithstanding that no Party intends to release its own attorneys as a result of the releases set forth in this Section 15, because and to the extent that Baron, Ondova, the Trusts, Domain Jamboree Parties and/or any of their affiliated entities (collectively, the "Baron Parties") claim, or have claimed in the past, that certain opposing attorneys have also allegedly acted as his, her, its or their legal counsel, agent or representative in any other capacity, which allegations are understood by all of the undersigned as disputed fact issues to be compromised by this Agreement, the Baron Parties and all other Parties state, represent and agree that each of the following have never been attorneys, agents or representatives of, or represented in any professional capacity, the Baron Parties for any purpose and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary, representational, individual and personal: John MacPete, Paul Storm, any attorneys at Storm LLP, Dean Hinderliter, any attorneys at Locke, Liddell & Sapp, LLP, any attorneys at Locke Lord Bissell & Liddell, LLP, A.J. Stone, any attorneys at Bolt & Nagi, Frank Perry, any attorneys at Payne & Blanchard, Denis Kleinfeld, any attorneys at The Kleinfeld Firm, any attorneys at Rothstein, Rosenfeld & Adler, Melissa Hayward, any attorneys at Flynn, Skierski, Lovell & Hayward, Ravi Puri, Sharon Hotchkiss, Daniel J. Sherman, any attorneys at Sherman & Yaquinto, Raymond J. Urbanik and any attorneys at Munsch Hardt Kopf & Harr, P.C. Further, and to the same effect, the Manila Parties state, represent and agree that each of the following have never been attorneys, agents or representatives or represented in any professional capacity the Manila Parties for any purpose and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary representational, individual and personal: West & Associates, LLP, Craig Capua, Hohmann, Taube & Summers, LLP, Eric Taube, Raymond J. Urbanik, M'Lou Patton Bell, Munsch Hardt Kopf & Harr P.C., Jeff Hall, Gerrit Pronske, Pronske Patel, LLC, John M. Cone and Hitchcock Everet, LLP. Additionally, and to the same effect, Baron, Ondova and the Domain Jamboree Parties state, represent and agree that each of the following have never been attorneys, agents or representatives or represented in any professional capacity Baron, Ondova and/or the Domain Jamboree Parties for any purpose

and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary representational, individual and personal: West & Associates, LLP, Craig Capua, Hohmann, Taube & Summers, LLP, Eric Taube, John M. Cone and Hitchcock Everet, LLP.

- C. The Manila Parties hereby RELEASE and DISCHARGE Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the MMSK Trust, Elizabeth Schurig and her past and present firms in any and all capacities from the beginning of time to the date of the Final Settlement Order, regardless of whether such claims or causes of action has yet accrued, notwithstanding any allegations of fact that at some point Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the MMSK Trust, Elizabeth Schurig and her past or present firms may have served as attorneys for the Manila Parties.
- D. Baron, Ondova and the Domain Jamboree Parties hereby RELEASE and DISCHARGE Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the Village Trust, Elizabeth Schurig and her past and present firms in any and all capacities from the beginning of time to the date of the Final Settlement Order, regardless of whether such claims or causes of action has yet accrued, notwithstanding any allegations of fact that at some point Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the Village Trust, Elizabeth Schurig and her past or present firms may have served as attorneys for Baron, Ondova and/or the Domain Jamboree Parties.
- E. Each releasing Party does specifically waive any claim or right to assert any cause of action or alleged cause of action or claim or demand which has, through oversight or error, intentionally or unintentionally or through a mutual mistake, been omitted from this Release and which is based in whole or in part on any act or omission occurring from the beginning of time to the date of the Final Settlement Order, regardless of whether such claim or cause of action has yet accrued.
- F. The foregoing provisions notwithstanding, all Parties represent, agree and confirm to the other Parties that they have no reason to believe any other third party (that is not a signatory hereunder) has any right, ownership, claim and/or other interest in and to any of the items discussed in this Agreement. Accordingly, each Party to this Agreement represents to each other Party that all necessary parties to effectuate this Agreement with respect to the signing Party have agreed to the terms of this Agreement and have signed (or granted authority in writing to be signed on their behalf) this Agreement. The foregoing representations are material representations, and any breach of such representations shall be a material breach of this Agreement.
- G. For avoidance of doubt, the releases given herein by the Chapter 11 Trustee are made solely in his capacity as trustee for Ondova. Additionally, notwithstanding any provision of this Agreement to the contrary, nothing contained herein shall, in any way limit, reduce, waive, impair or otherwise restrict any and all other claims the Chapter 11 Trustee may have against persons or entities which are not Parties to this Agreement, all of which such rights and claims are specifically reserved.
16. **Delivery of Tax Documents.** On or before the Settlement Date, the Village Trust shall deliver the following tax documents to Manila, and Manila shall have no obligation to make the Cash Payment or to execute and deliver **Exhibit A** until such documents are delivered to Manila: Internal Revenue Service Form W-8IMY executed by the Village Trust and Form W-9 executed

by each beneficial owner of the Village Trust. Within five (5) days after the Settlement Date, the USVI Entities shall deliver the 2006, 2007, 2008, 2009, and 2010 tax filings for each of the USVI corporations to Manila and the Village Trust, including all notices and other communication received by the USVI Entities, or on behalf of the USVI Entities, from governmental agencies related thereto, and all correspondence responding to the same. Manila agrees that it will issue or cause to be issued a Form 1099 or Schedule K-1 to the Village Trust, and not to Jeffrey Baron, in connection with the Cash Payment, the Deferred Payment and the amount of the Combined Pokerstar Revenue that is wired to the Village Trust or at the direction of the Village Trust. Netsphere agrees that it will issue or cause to be issued a Form 1099 or Schedule K-1 to the Licensor identified in the License Agreement in connection with payments made pursuant to the License Agreement. The Baron Parties agree that there shall be no income attributable to the MMSK Trust as a result of the payments required to be made under this Agreement; and no Party shall issue or cause to be issued a Form 1099 or Schedule K-1 to the MMSK Trust, the Manila Parties, and/or the Manila Related Parties in connection with such payments. Except as otherwise provided in this Agreement, no Form 1099 or Schedule K-1 (or other tax form reporting an amount of taxable income to another Party) shall be issued by any Party to the other Parties for 2009 and prior tax years (or for 2010 and subsequent years, except with the consent or agreement of the recipient) or as required by a final settlement or closing agreement entered into with the United States Internal Revenue Service or any United States state or local taxing authority.

17. **Dauben Disclaimer.** Joey Dauben, on behalf of himself, Dauben, Inc., d/b/a Texas International Property Associates and Privacy Protection Services, Inc., d/b/a Oakwood Services, Inc., and his and their respective affiliates, has executed and delivered to the Parties a disclaimer of interest in substantially the form (exclusive of exhibit reference) attached hereto as **Exhibit M.**
18. **Representations and Warranties.** Each Party makes the following representations and warranties to each other Party, which representations and warranties shall survive the execution of this Agreement:
 - A. Such Party has either been, or has had the reasonable opportunity to be, adequately represented by independent and competent legal counsel of his, her or its own choosing in connection with the negotiation and execution of this Agreement and in any and all matters whatsoever relating or appertaining hereto;
 - B. In executing this Agreement, such Party has relied upon his, her, or its own judgment and/or upon the advice of his, her, or its own personal attorneys; that he, she, or it has not been induced to sign or execute this Agreement by any promises, agreements, or representations whatsoever which are not expressly stated herein; and that he, she, or it has freely and willingly executed this Agreement and expressly denies and disclaims any reliance upon any facts, promises, undertakings, or representations made by any other Party or any other Party's legal representatives, agents or advisors at any time prior to and through the Settlement Date;
 - C. Such Party considers the terms of the Agreement to be fair and reasonable and not unconscionable in whole or in part, and such Party's consent to this Agreement was not procured, obtained, or induced in any way or manner by mistake, fraud, improper conduct, or undue influence;
 - D. After investigation and consultation with his, her, or its own attorneys, if any, such Party agrees that this Agreement is satisfactory and is fully supported by good, valid, and

adequate consideration for all obligations, performance and promises to perform herein, the receipt of which is expressly acknowledged by such Party;

- E. Such Party understands and agrees to all terms, provisions and conditions of this Agreement;
- F. Such Party has the requisite legal authority, capacity, and consent to execute this Agreement, and this Agreement is binding upon such Party acting in the legal capacity or capacities herein stated;
- G. Such Party represents and warrants that in executing this Agreement, it, he or she is not relying on any representation or warranty other than that which is specifically set forth in writing in this Agreement;
- H. Since the date of commencement of the Dallas Federal Case, such Party has not transferred or assigned any interest in any of its, his or her interest in any claim or property interest affected by this Agreement (except for domain names identified in the monthly reports required by February 8, 2010, Order Regarding Transparency in the Transfer and Deletion of Domain Names by the Court in the Dallas Federal Case);
- I. Since the commencement of the Dallas Federal Case, such Party has not transferred or assigned all or any portion in any of its, his or her interest in any claims or causes of action that such Party may have against any other Party to this Agreement (except to his or its attorneys in consideration for attorneys' fees);
- J. Each of the Parties hereto represents and warrants to each other Party that at no time after December 30, 2005, did Ondova or the Estate (i) own any interest, legally or beneficially (including, without limitation, domain names), in the Blue Horizon Portfolio, the Odd Group Portfolio or the Even Group Portfolio; or (ii) sell, assign, transfer or otherwise exercise a remedy available to Ondova or the Estate with respect to the Blue Horizon Portfolio, the Odd Group Portfolio or the Even Group Portfolio; and
- K. Each of the Parties hereto represents and warrants to each other Party that the USVI deal was not consummated.
- L. As of the date of the filing of the 9019 motion in the Bankruptcy Court, each of the Trustee of the Village Trust and the Trustee of the MMSK Trust represent and warrant that all beneficiaries of such trusts are Parties to this Agreement or that the beneficiaries of such trusts that are Parties to this Agreement have the legal capacity to sign on behalf of the other beneficiaries of such trusts.
- M. As of the date of the filing of the 9019 motion in the Bankruptcy Court, Baron represents and warrants that all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust are signing this Agreement or that he has the legal capacity to sign on behalf of the other beneficiaries of such trusts and IRAs.
- N. As of the date of the filing of the 9019 motion in the Bankruptcy Court, each of Munish Krishan and Seema Krishan represent and warrant that all beneficiaries of The MMSK Trust are signing this Agreement or that he or she, as applicable, has the legal capacity to sign on behalf of the other beneficiaries of The MMSK Trust.

19. **Requested Findings.** The Parties agree to seek Bankruptcy Court approval in the order approving this Agreement for the following findings ("Findings"):

- A. That in December 2005 Jeffrey Baron, directly or indirectly through entities owned or controlled by Jeffrey Baron, intended to transfer any domain name he or they owned to the Village Trust and such intention to transfer was not conditional on whether or not the USVI deal was consummated.
- B. That Jeffrey Baron has not been the moving force behind monetization of the domain names in the "Odd Group Portfolio" since at least July 17, 2009.
- C. That Jeffrey Baron has not been the moving force behind monetization of the domain names in the Blue Horizon Portfolio since at least April 25, 2009.
- D. That neither Jeffrey Baron nor Ondova Limited Company have been listed as the registrant of record for, or been the licensee of the listed registrant of record for, or holder of record title to or in, the domain names in the Odd Group Portfolio.

The Parties acknowledge and understand that the Findings may not be approved by the Bankruptcy Court. Since the Findings are not required, the Findings are not material to this Agreement and the remaining terms of the Agreement are: (i) not affected; (ii) fully enforceable, and (iii) shall be fully performed as required by this Agreement.

20. **Taxes.**

- A. After the Transfer Date, upon the reasonable request of any Party, each other Party shall cooperate in all reasonable respects in preparing for any audits of, or disputes with, taxing authorities regarding any tax returns concerning the matters addressed in this Agreement. Each Party shall be solely responsible for paying any taxes or penalties assessed against them and, further, shall be responsible for all of its attorney fees and costs associated therewith. The mutual general releases provided for in this Agreement include a release of any claims for contribution or indemnity or monetary damages related to any taxes or any penalties assessed against any Party. Subject to the agreement of the Parties set forth in Section 20.A. hereof, each Party is free to take the tax position of its choosing and is solely responsible for any consequences resulting from any such position taken.
- B. The Parties agree that unanimous consent of Newco LLC (as defined below), Quantec LLC, Iguana Consulting LLC, and Novo Point LLC is required to engage in any discussions with the USVI BIR concerning the tax liability of Quantec, Inc., Iguana Consulting, Inc. or Novo Point, Inc., for taxable years beginning on or after January 1, 2006. The Parties further agree that:
 - (i) The Parties, as applicable, rescind any purported assignment of shares in the USVI corporations from MMSK Trust to the existing Trust LLCs and any purported ownership interest in the existing Trust LLCs issued to MMSK Trust, and such Parties further agree to treat such assignment and issuance as having never occurred;
 - (ii) The Parties agree that the Manila Related Parties have never had any ownership interest in any of the Trust LLCs;

- (iii) On or before July 12, 2010, the Trustee of the MMSK Trust agrees to form a new Cook Islands LLC ("Newco LLC") owned by the MMSK Trust to hold the MMSK Trust's and Manila Related Parties' shares of Quantec, Inc. and Iguana Consulting, Inc; the Trustee of the MMSK Trust, Quantec LLC and Iguana Consulting LLC agree to execute Exhibit N acknowledging the rescission/quitclaim of Quantec LLC's and Iguana Consulting LLC's purported ownership of the MMSK Trust's shares of Quantec, Inc. and Iguana Consulting, Inc. and the MMSK Trust's purported ownership interest in Quantec LLC and Iguana Consulting LLC; the Trustee of the MMSK Trust agrees to execute Exhibit O assigning the MMSK Trust's shares of Quantec, Inc. and Iguana Consulting, Inc. to Newco LLC; and the Manila Related Parties agree to execute Exhibit P assigning the Manila Related Parties' shares of Quantec, Inc. and Iguana Consulting, Inc. to Newco LLC;
- (iv) The current Protector of the MMSK Trust shall appoint Cook Islands Trust Protectors Limited as successor Protector of the MMSK Trust and resign as Protector of the MMSK Trust in the exact form attached hereto as Exhibit P (which has been executed and delivered to the attorney for the Trust LLCs by the Protector via an email dated June 21, 2010, from Bernard Haissly to Craig Capua). Within five (5) business days of the Settlement Date, the Trust LLCs agree to: (i) take care of any outstanding fee owed to the Protector of the MMSK Trust (the Protector has represented the amount of its full and final fee in an email dated June 21, 2010, from Bernard Haissly to Craig Capua and Ravi Puri) (Gerrit Pronske is personally contributing \$10,000 to the Trust LLCs towards this payment) and the Manila Parties agree that they will not authorize the Protector to incur any further fees, expenses or costs for the MMSK Trust (which authorization is required pursuant to the email dated June 21, 2010 from Bernard Haissly to Craig Capua and Ravi Puri in order for fees to go above \$20,000 in total)(Craig Capua has also agreed in an email dated June 21, 2010 to Gerrit Pronske and Ravi Puri not to authorize the Protector to incur any further fees, expenses or costs for the MMSK Trust); and within five (5) business days of the Settlement Date, the Trustee of the MMSK Trust agrees to: (ii) forward to the Manila Parties a valid resignation from PN Management Limited as the Protector of the MMSK Trust in the form attached as Exhibit Q (exclusive of the exhibit reference) (that has been executed by Bernard Haissly on behalf of the current Protector of the MMSK Trust); and
- (v) Within five (5) business days of the completion of actions in clause (iii) above, (a) Asiatrust Limited shall resign as Trustee of the MMSK Trust by executing and delivering a resignation and appointment of successor notice in the exact form attached hereto as Exhibit R (exclusive of the exhibit reference, and (b) the Protector of the MMSK Trust shall appoint Global Consultants and Services (Cook Islands) Limited as successor Trustee of the MMSK Trust.
21. **Jurisdiction.** The United States Bankruptcy Court for the Northern District of Texas (Dallas Division) shall have the exclusive jurisdiction over all disputes and/or matters whatsoever related to this Agreement, which involve the Estate as a party or that may directly or indirectly impact the Estate or any interest in property (within the meaning of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code")) held by the Estate or the Chapter 11 Trustee (as trustee for Ondova). Subject to the foregoing, the United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other

disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise. In the event that the Honorable Royal Furgeson is not available to hear a case related to this Agreement, then any other judge of the United States District Court for the Northern District of Texas shall have jurisdiction over such case.

22. **Choice of Law.** This Agreement shall be governed by and construed in accordance with applicable federal bankruptcy law, 11 U.S.C. §101 et seq., and the laws of the State of Texas, without regard to its conflicts of law principles.
23. **Attorneys' Fees and Costs.** In each of the Underlying Cases, each of the Parties shall bear its own respective attorneys' fees and costs. In the event of a dispute, the prevailing Party in any action to enforce this Agreement shall be entitled to reasonable attorneys' fees and costs of litigation.
24. **Binding Agreement.** The Parties agree that this Agreement, inclusive of the Recitals in Article 1 hereof, is a totally binding agreement which may not be altered by any Party without the written consent of all other Parties and will be in effect for all times, unless otherwise provided herein. This Agreement shall inure to the benefit of, and shall be binding upon the Parties hereto, and their respective heirs, distributees, beneficiaries, executors, administrators, successors, and assigns.
25. **Ondova Plan /Claims Objections.** Prior to the hearing on the motion to approve this Agreement, the Chapter 11 Trustee intends to file the Ondova Plan, if feasible, to provide for, inter alia, payment of claims of creditors of Ondova. With respect to proofs of claim and other obligations of Ondova, the Chapter 11 Trustee agrees to allow the Daystar Trust to review and object to claims (but only in an amount in excess of \$10,000). The Chapter 11 Trustee reserves the right to comment and/or oppose any objections to claims filed by the Daystar Trust. The Chapter 11 Trustee does not object to Jeffrey Baron filing a competing reorganization plan and/or liquidation plan for Ondova. Prior to filing the Ondova Plan, the Trustee agrees to meet with Jeffrey Baron to confer regarding the Ondova Plan.
26. **Claims for Breach of this Agreement Not Released.** **IT IS EXPRESSLY UNDERSTOOD AND AGREED AMONG THE PARTIES TO THIS AGREEMENT THAT THE TERMS OF THIS AGREEMENT RELEASING AND DISCHARGING THE PARTIES ARE NOT INTENDED TO RELATE TO, AND NONE OF THE PARTIES ARE RELEASING ANY OTHER PARTY FROM, ANY CLAIM WHICH MAY HEREAFTER ACCRUE WHICH IS BASED SOLELY UPON FACTS OCCURRING AFTER THE SETTLEMENT DATE AND WHICH SOLELY RELATES TO OR ARISES DIRECTLY FROM OR OUT OF A BREACH OF THIS AGREEMENT ITSELF. THIS SECTION 26 IS NOT INTENDED TO LIMIT THE PROSPECTIVE RELEASE (WHICH IS SET FORTH IN SECTION 15) FOR CLAIMS WHICH ARE BASED IN WHOLE OR IN PART ON FACTS OCCURRING PRIOR TO THE EFFECTIVE DATE.**
27. **Waivers.** No waiver of any of the terms or provisions hereof shall be valid unless in writing and signed by all Parties. No waiver of default of any provision hereof shall be deemed a waiver of any subsequent breach or default of the same or similar nature.
28. **Reviewed by Counsel.** By execution hereof, each of the Parties acknowledges and agrees that this Agreement has been prepared and/or reviewed by the respective Parties and/or by the attorneys for each of the Parties.

29. **Entire Agreement.** Each Party hereto acknowledges that he, she, or it has carefully read this Agreement, including all documents or Exhibits that it incorporates and/or refers to, and that this Agreement expresses the entire agreement among the Parties concerning the subject matters it purports to cover; and that each Party has executed this Agreement freely and of his, her, or its own accord. No Party is relying on any oral representation or any other representation not set forth in writing in this Agreement. This Agreement supersedes all other agreements, whether written or oral, between the Parties relating to the subject matter hereof.
30. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be of equal rank. The execution of one counterpart by a Party shall be deemed the execution of all counterparts by such Party.
31. **Injunctive Relief.** The Parties agree that monetary damages alone may not be adequate recompense for any breach of this Agreement. In the event any Party breaches any of the terms, conditions, covenants, obligations, responsibilities or warranties placed upon such Party in this Agreement, then any other Party may seek only the remedies of specific performance and/or injunctive relief (whether mandatory or by restraint) and/or monetary damages, and if such Party is successful, then the Party breaching this Agreement agrees to pay all of the prevailing parties' reasonable attorneys' fees and costs of litigation in addition to any monetary damages awarded, if any. The Parties agree that the Pokerstar.com License Agreement provides for its own remedies and that the remedies available in this Agreement are not available under the Pokerstar.com License Agreement unless otherwise agreed upon in writing.
32. **Time of Essence.** Time is of the essence in performing the provisions of this Agreement.
33. **Survival.** The agreements, representations, and warranties set forth in this Agreement shall survive the execution hereof. If any term or provision of this Agreement shall be held to be invalid or unenforceable for any reason, such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining terms and provisions hereof. This Agreement shall be construed as if such invalid or unenforceable term or provision had not been contained herein, provided, however, that the foregoing shall in no way be interpreted or construed to affect the enforceability of the release provisions of this Agreement. This Agreement has been duly authorized and constitutes a legal, valid, and binding obligation of each Party hereto and is enforceable against each of them in accordance with its terms.
34. **Notice.** Any notices required by this Agreement shall be sufficiently given only if in writing and delivered personally or by a nationally recognized courier service, or mailed by prepaid registered mail addressed to the party for whom it is intended, at the address noted below, provided that any Party may notify the other Parties in writing of a change in such Party's address for the purposes hereof:

If to Baron:

Jeffrey Baron
P. O. Box 111501
Carrollton, Texas 75011

and

EXECUTION VERSION

Gerrit Pronske
Pronske & Patel
2200 Ross Avenue, Suite 5350
Dallas, Texas 75201

If to Ondova:

Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

If to Manassas:

Manassas, LLC
Craig Capua
West & Associates
320 South R.L. Thornton Freeway
Suite 300
Dallas, Texas 75203

If to Shiloh, LLC:

Shiloh, LLC
c/o Quantec LLC
Level 2 BCI House
P.O. Box 822
Rarotonga

If to Javelina, LLC:

Cook Islands
Javelina, LLC
c/o Novo Point LLC
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

If to Diamond Key:

Diamond Key, LLC
c/o Nina deVassal
3553 Asbury
Dallas, Texas 75205

If to the Trustee of The Village Trust:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

and

Craig Capua
West & Associates
320 South R.L. Thornton Freeway
Suite 300
Dallas, Texas 75203

If to the USVI Representative Parties:

Franklin H. Perry
Payne & Blanchard, LLP
700 N. Pearl Street, Suite 500
Dallas, Texas 75201

and

Denis A. Kleinfeld
Kopelowitz Ostrow
200 SW 1st Avenue, 12th Floor
Ft. Lauderdale, Florida 33301

If to Manila Parties and Manila Related
Parties:

John W. MacPete
Locke Lord Bissell & Liddell, LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201

With a courtesy copy to:

Ravi Puri, Esq.
Netsphere Inc.
1300 Bristol Street North, Suite 200
Newport Beach, CA 92660

35. **Retention of Protected Materials.** With respect to any discovery materials that have been produced under protective order in any of the Underlying Cases, such materials shall be preserved in accordance with and remain subject to the subject protective orders. Gardere Wynne shall maintain copies of the imaged computers produced to Special Master Peter Vogel by Equivalent Data and any copies which are currently in Equivalent Data's possession during the term of the License Agreement, and no Party or third party shall have access to such imaged computers except pursuant to legal process. To the extent any Party to this Agreement seeks access to copies of the imaged computers via legal process, such Party shall concurrently provide notice of such request to Baron and the Manila Parties. Special Master Peter Vogel has agreed to keep and maintain such discovery materials at no cost. Baron and the Manila Parties agree to seek an order from The Honorable Royal Furgeson which confirms that Gardere Wynne will maintain such copies during

the term of the License Agreement, the form of such order to be substantially as set forth in **Exhibit Q** attached hereto.

IN WITNESS WHEREOF, the Parties have each signed this Agreement as of the Settlement Date.

DANIEL J. SHERMAN, Chapter 11
Bankruptcy Trustee of Ondova Limited
Company

ONDOVA LIMITED COMPANY

By: _____
Daniel J. Sherman, Chapter 11 Bankruptcy
Trustee

MUNISH KRISHAN, Individually and on
behalf of Mahnik Krishan and Amani Krishan

SEEMA KRISHAN, Individually and on behalf
of Mahnik Krishan and Amani Krishan

BIJU MATHEW, Individually

AMIR ASAD, Individually

ROHIT KRISHAN, Individually

MANOJ KRISHAN, Individually

MANISH AGGARWAL, Individually

AMER ZAVERI, Individually

JEFFREY BARON, individually and as a beneficiary of and on behalf of all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust

DAYSTAR TRUST

By: _____
Jeffrey Baron, Trustee

BELTON TRUST

By: _____
Jeffrey Baron, Trustee

DENIS KLEINFELD, individually and on behalf of all officers, directors, managers, members and employees of the USVI Entities

JEANNE HUDSON, individually

BYRON DEAN, individually and as Sole Member of Manassas

BUD BRANSTETTER, individually and as Manager of Manassas

NINA DEVASSAL, individually and as Sole Member and Manager of Diamond Key, LLC

SHILOH, LLC

By: _____
Name: _____
Title: _____

JAVELINA, LLC

By: _____
Name: _____
Title: _____

THE MMSK TRUST

By: Asiatrusted Limited, Its Trustee

By: _____
Name: _____
Title: _____

THE VILLAGE TRUST

By: Asiatrusted Limited, Its Trustee

By: _____
Name: _____
Title: _____

MANILA INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

NETSPHERE, INC.

By: _____
Name: _____
Title: _____

HCB, LLC, a Delaware limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

EXECUTION VERSION

HCB, LLC, a USVI limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

REALTY INVESTMENT MANAGEMENT, LLC, a Delaware limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

REALTY INVESTMENT MANAGEMENT, LLC, a USVI limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

SIMPLE SOLUTIONS, LLC

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

SEARCH GUIDE, LLC

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

BLUE HORIZON LIMITED LIABILITY COMPANY

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

FOUR POINTS MANAGEMENT, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

MARSHDEN, LLC

By: _____
Name: _____
Title: _____

NOVO POINT, INC.

By: _____
Name: _____
Title: _____

IGUANA CONSULTING, INC.

By: _____
Name: _____
Title: _____

QUANTEC, INC.

By: _____
Name: _____
Title: _____

NOVO POINT LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

QUANTEC LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

CALLINGCARDS.COM, LLC

By: _____
Name: _____
Title: _____

EXECUTION VERSION

ID GENESIS, LLC

By: Netsphere, Inc., Sole Member

By: _____

Name: _____

Title: _____

DOMAIN JAMBOREE, LLC

By: _____

Name: _____

Title: _____

EQUITY TRUST COMPANY, a South Dakota trust company, as Custodian of IRA 19471 and as successor in interest of Mid Ohio Securities as Custodian of IRA 19471

By: _____

Name: _____

Title: _____

CHARLES ALDOUS, individually

JEFF RASANKY, individually

RON SHERIDAN, individually

EXHIBIT A

Form of Security Agreement

NETSPHERE, INC.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (“Security Agreement”), effective as of _____, 2010 (the “Effective Date”), is made by NETSPHERE, INC., a Michigan corporation (“Maker”), MANILA INDUSTRIES, INC., a California corporation (“Manila”) and ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands (“Payee”).

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Manila, Payee and other parties named therein (the “Settlement Agreement”), Manila agreed to make the Deferred Payment (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Manila’s obligations to make the Deferred Payment, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker’s right, title and interest in the domain name *FreeSex.com*;

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Deferred Payment, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Security Agreement, the following terms shall have the following meanings:

“**Collateral**” shall mean all of Maker’s right, title and interest in and to the domain name *FreeSex.com* (the “Domain Name”), but Collateral shall not include, and the Payee waives any right to, any Proceeds and Contract Rights, insurance proceeds, unearned premiums, tax refunds, rents, profits and products thereof or any content or other information which may be located at or appear on the website using this Domain Name.

“**Contract Rights**” shall mean any right to payment related to the Collateral.

“**Deferred Payment Default**” shall mean Manila’s failure to pay the Deferred Payment in accordance with the Settlement Agreement, which failure remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker and Manila.

“**Event of Default**” shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Security Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker and Manila, or (ii) a Deferred Payment Default.

“**GAAP**” shall mean generally accepted accounting principles.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“**Proceeds**” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received by or owing to or generated by Maker or for the benefit of Maker when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“**Secured Obligations**” shall mean the obligation of Manila to pay the Deferred Payment and the obligations of Maker under this Security Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“**UCC**” shall mean the Uniform Commercial Code as in effect in the State of California.

“**Post-Default Deposits**” shall mean all Proceeds, Contract Rights, insurance proceeds, rents, profits and revenue of any type or character actually received by Maker generated from the Collateral (including but not limited to revenues generated from the lease or license of the Collateral) after the date of a Noticed Default (as defined in paragraph 8 hereof).

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Security Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Security Agreement (including, without limitation, in a bankruptcy proceeding).

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Deferred Payment remains outstanding and except as otherwise permitted under this Security Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral; provided, however that (i) Maker may, without Payee’s consent, sell, transfer, assign or otherwise dispose of the Collateral if the proceeds of such transaction are used to pay the Deferred Payment in full and in cash at the closing of any such transaction, and (ii) Maker may from time to time, without Payee’s consent, lease and/or license the rights to the Collateral so long as such lease or license remains subject to this Security Agreement and subordinate to Payee’s first lien on the Collateral.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Security Agreement:

(i) Organization and Corporate Power. Maker is a corporation validly existing and in good standing under the laws of Michigan.

(ii) Authorization; No Breach. The execution, delivery and performance of this Security Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Security Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker's capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Security Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Security Agreement or otherwise; and (iii) Payee's exercise of its rights under this Security Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Security Agreement (i) the California address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Michigan is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Security Agreement (i) none of its Collateral is covered by any certificate of title or subject to any lien or grant of any security interest other than the one created by this Security Agreement, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Security Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Except for expenditures of cash in the ordinary course of business or as otherwise permitted under Section 3(a) of this Security Agreement, Maker shall not sell, transfer, assign, convey or otherwise dispose of, or extend, amend, terminate or otherwise modify any material

term or provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect the Collateral.

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a first lien perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then so long as such Event of Default exists:

(a) If the Event of Default is a Deferred Payment Default or default under paragraph 3(a) hereof, then Payee's sole remedy for such default shall be to pursue a final, non-appealable judgment to permit the sale at public auction of the Collateral pursuant to Article 9 of the UCC to satisfy the Deferred Payment debt and/or to seek payment of the Deferred Payment debt, plus any fees and costs pursuant to paragraph 15(f) from the Post Default Deposits. The sale at public auction of the Collateral pursuant to Article 9 of the UCC shall occur only after notice and advertising of any sale at public auction has been published for at least sixty (60) days in advance of the sale date and notice must be provided to persons and entities as are required under Article 9

of the UCC for the conduct of a commercially reasonable sale at public auction. Additionally, any such sale at public auction must be conducted by one of the nationally recognized domain name auctioneers (or their successors) listed on Schedule 1 attached hereto, to the extent that such auctioneers are then in existence and in the business of conducting domain name auctions. If none of the auctioneers (or their respective successors) listed on Schedule 1 are then in existence or will agree to conduct the sale on sixty (60) days notice, then Payee must use such other auctioneer as would be required by Article 9 of the UCC for the conduct of a commercially reasonable sale at public auction. In the event that a sale of the Collateral and application of the Post-Default Deposits results in a surplus over and above the amount of the Deferred Payment debt plus any fees and costs pursuant to paragraph 15(f), then such surplus shall be paid within five (5) business days to Maker and, in the event that a sale of the Collateral results in a deficiency, then Payee shall have recourse for such deficiency against Manila. To the extent that Payee seeks payment of the Deferred Payment debt from the Post-Default Deposits, Manila shall be liable to Maker for the amount of Post-Default Deposits applied to the Deferred Payment debt.

(b) If the Event of Default is other than a Deferred Payment Default or default under paragraph 3(a), then Payee's sole remedy shall be to seek specific performance, including, but not limited to, preliminary injunctive relief and any attorneys fees permitted pursuant to subsection 15(f), by Maker of the warranty, covenant, agreement or term breached.

(c) It being understood in each instance referenced in clauses (a) and (b) above that Maker shall have no obligation to make any payment of the Deferred Payment to Payee, which shall at all times remain an obligation of Manila, and that Payee shall not have, nor be entitled to, any other right or remedy under this Security Agreement, the UCC or any other applicable law.

12. Agreement to Deposit Funds. In the event of an uncured Deferred Payment Default or a default under paragraph 3(a) hereof, and upon written notice to Maker by Payee pursuant to the terms hereof, and regardless of whether Maker contests whether such Deferred Payment Default or other default under paragraph 3(a) hereof has occurred or whether Maker asserts defenses to such alleged default, Maker agrees and it shall deposit into the registry of the United States District Court for the Northern District of Texas, in connection with the litigation described in paragraph 11 hereof, all Post Default Deposits. Maker agrees and stipulates that its obligation to make the Post Default Deposits, as described herein, shall be enforceable by injunctive relief without bond and without the need for Payee to demonstrate irreparable injury, such injury being stipulated and agreed to herein, and regardless of whether Maker asserts defenses to any of the defaults called by Payee hereunder; it being the intent of Maker and Payee that the right to the Post-Default Deposits should ultimately be adjudicated by the court which has jurisdiction of the claims asserted by Payee against Maker as referenced in paragraph 11 hereof, and pursuant to this Security Agreement. All payments by Maker of the Post-Default Deposits shall be made within five (5) business days from the date that they are received by Maker. Maker agrees and stipulates that it shall not divert any traffic from freesex.com or, upon the written notice to Maker by Payee pursuant to the terms hereof and after of a Deferred Payment Default or a default under paragraph 3(a) and regardless of whether Maker contests whether such Deferred Payment Default or other default under paragraph 3(a) hereof has occurred, that it shall not divert any revenue from feesex.com, all of which shall constitute Post Default Deposits. The obligation to make Post Default Deposits and prohibition against diverting revenues or traffic from freesex.com shall be enforceable by injunctive relief and based upon the stipulation and agreement of Maker that no bond shall be required for such injunctive relief, and no showing of irreparable injury shall be required, such irreparable injury being stipulated to by Maker herein.

13. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Security Agreement by Payee.

(b) To the extent that Manila makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Manila or a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Security Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party; provided that Maker shall have no obligation to make any payment of the Deferred Payment to Payee.

14. Defeasance. Upon payment in full of the Secured Obligations, this Security Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 14 which shall survive), and in such event Payee shall, at Payee's expense take all action necessary to terminate Payee's security interest in the Collateral. This Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

15. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Security Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Security Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

(c) This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Security Agreement by signing any such counterpart.

(d) THIS SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF CALIFORNIA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF CALIFORNIA.

(e) This Security Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

(f) If any action is brought to enforce or interpret the terms of this Security Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Security Agreement, whether related to its consummation, implementation, enforcement or otherwise. In the event that the Honorable Royal Furgeson is not available to hear a case related to this Security Agreement, then any other judge of the United States District Court for the Northern District of Texas shall have jurisdiction over such case.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the Effective Date.

NETSPHERE, INC.

By: _____
Name _____
Title: _____

Address:
Netsphere, Inc.
c/o Ravi Puri, Esq.
1300 Bristol Street North, Suite 200
Newport Beach, CA 92660

MANILA INDUSTRIES, INC.

By: _____
Name _____
Title: _____

Address:
Manila Industries, Inc.
23312 Eagle Ridge
Mission Viejo, CA 92692

EXECUTION VERSION

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____

Name: _____

Title: _____

Address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

SCHEDULE 1 TO EXHIBIT A
List of Auctioneers

Auctioneer shall be one of the following (so long as it continues to conduct domain name auctions):

- 1) The legal entity that operates auctions via Sedo.com;
- 2) The legal entity that operates auctions via maltzauctions.com
- 3) Moniker Online Services, LLC (currently located at <http://domainauctions.moniker.com/>)
- 4) Rick Latona Auctions (currently located at <http://www.ricklatona.com/domains/>)

EXHIBIT B

Form of License Agreement

POKERSTAR.COM LICENSE AGREEMENT

THIS POKERSTAR.COM LICENSE AGREEMENT ("License Agreement"), effective as of the date of the last signature hereto ("Effective Date"), is by and between Asiastar Limited as Trustee of the Village Trust ("Licensor"), and Netsphere, Inc., a Michigan corporation with its principal place of business at 1300 Bristol Street North, Suite 200, Newport Beach, CA 92660 ("Netsphere").

WHEREAS, Licensor represents and warrants that it is the sole registrant and owner of all rights (property, contract, copyright, and all other rights recognized in law) in the internet domain name Pokerstar.com and wishes to grant Netsphere an exclusive license to the Pokerstar.com domain name.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. DOMAIN LICENSE

1.1 License.

Licensor hereby grants to Netsphere, for the Term of this License Agreement, an exclusive license to the Pokerstar.com domain name, including, but not limited to, the exclusive right to use, in Netsphere's sole discretion, Pokerstar.com in any form of Online Business and including the right to sublicense. For purposes of this License Agreement, "Online Business" includes, but is not limited to, domain parking, monetization, and build out and/or operation of a website associated with the Pokerstar.com domain name. Nothing herein shall obligate Netsphere to operate, market, develop, or promote (including without limitation through search engine optimization, purchasing keywords, advertising, or any affiliate program) any Online Business or otherwise use the Pokerstar.com domain name during the Term of this License Agreement. Licensor shall have no right of control, participation, or management regarding the use or non-use of the Pokerstar.com domain name by Netsphere during the Term of this License Agreement. Licensor may not grant another license to the Pokerstar.com domain name during the Term without the written consent of Netsphere. Except as specifically provided herein, the ownership of all rights in the domain name Pokerstar.com will remain with the Licensor and are in no way transferred to Netsphere by virtue of the license granted in this License Agreement.

1.2 License Fee.

In exchange for the exclusive license granted to Netsphere, fifty percent (50%) of any revenue Netsphere receives from third parties via operation of any website at the address Pokerstar.com during the Term ("License Fee") shall be paid via wire transfer to Licensor (in accordance with the wire instructions provided by Craig Capua to John MacPete by email on June 7, 2010, by the 5th business day of each month for monies received (only includes actual receipts, not monies earned, for which exact copies of e-mails or online bank account activity statements indicating the relevant wire transfer receipts for the operation of any website at the address Pokerstar.com shall be provided) in the prior month (i.e. revenues earned in March will typically be paid to/received by Netsphere in April and, if received by Netsphere in April, the License Fee from revenues earned in March will then be paid to Licensor by the 5th business day of May). Netsphere shall retain the other fifty percent (50%) of any revenue it receives from third parties via operation of a website at the address Pokerstar.com ("Netsphere Payment"). Until such time as the Combined Pokerstar Revenue and the Additional Payment (as such terms are defined in the

Settlement Agreement entered into by the parties on July 2, 2010 ("Settlement Agreement") have been paid in accordance with Section 6.C. of the Settlement Agreement, payments of the License Fee will be made pursuant to Section 6.B and 6.C of the Settlement Agreement. If Licensor does not receive the License Fee within the time period discussed in this paragraph, Licensor shall notify Netsphere in writing. Within thirty (30) days of such notice ("Notice Period"), Netsphere shall attempt to cure by: i) sending Licensor a copy of the wire confirmation OR ii) sending any outstanding License Fee to Licensor. If Netsphere fails to cure within the Notice Period, within five (5) business days of the end of such Notice Period, Netsphere agrees to pay the License Fee and the Netsphere Payment into an escrow account held by Gracy Title Company until the dispute is resolved. Additionally, if Netsphere utilizes the Notice Period, due to Netsphere's sole fault, more than two (2) times during any calendar year, it shall pay Licensor the amount of two hundred fifty dollars (\$250) ("Penalty Amount") for each Notice Period utilized in excess of two (2) times during such calendar year. This Penalty Amount does not apply if the additional Notice Period(s) utilized by Netsphere were not caused by Netsphere's failure to pay any outstanding License Fee.

1.3 Domain Renewal.

During the Term, Licensor agrees to continue to renew Pokerstar.com at its own cost, with renewal to be completed at least thirty-five (35) days prior to the expiration of any registration period. If Licensor fails to renew Pokerstar.com at least thirty-five (35) days prior to the expiration of any registration period, Netsphere shall notify Licensor in writing. Within 5 days of such notice ("Renewal Notice Period"), Licensor shall attempt to cure by renewing the registration period for Pokerstar.com. If Licensor fails to cure within the Renewal Notice Period, Netsphere may renew the registration on Licensor's behalf and, in such event, Netsphere may deduct the renewal fee plus a Twenty Five Thousand Dollar (\$25,000) penalty from the next License Fee(s) owed to Licensor. If Netsphere exercises its right to renew the registration of Pokerstar.com, if Pokerstar.com's registrar refuses to perform the renewal, Licensor and Pokerstar.com's registrar agree that Netsphere shall be entitled to specific performance and a mandatory preliminary and permanent injunction without any bond requirement and without prior notice to Licensor, its registrar, and/or any other third party, requiring renewal of the Pokerstar.com domain for a minimum term of one (1) year (or longer, if requested and paid for by Netsphere). Any costs, fees and attorney's fees incurred by Netsphere to obtain such injunctive relief shall be deducted from the next License Fee(s) owed to Licensor until such costs, fees, and attorney's fees are fully recovered.

1.4 Nameserver Change.

During the Term, Licensor agrees to only point the nameservers and/or IP addresses for Pokerstar.com to those nameservers and/or IP addresses requested by Netsphere (in its sole discretion) in writing (including via e-mail). Other nameservers and/or IP addresses not authorized and/or requested by Netsphere are not permitted. Any request by Netsphere to Licensor for an update to the nameserver and/or IP address for Pokerstar.com shall be completed by Licensor (or its registrar) within twenty-four (24) business hours (based on eight (8) hours per business day) of such request. If, during the Term, Licensor, the registrar for Pokerstar.com, or any other third party ("Licensor Parties") removes and/or directs the nameservers and/or IP addresses for Pokerstar.com to nameservers and/or IP addresses not authorized or consented to by Netsphere in writing ("NS Removal"), Netsphere shall send notice ("Nameserver Notice") to Licensor pursuant to the instructions provided by Licensor in an email to Ravi Puri dated July 1, 2010. Within twenty-four (24) business hours (based on eight (8) hours per business day) of the Nameserver Notice ("NS Notice Period"), the Licensor Parties shall update the nameservers and/or IP addresses for Pokerstar.com as requested by Netsphere ("NS Update"). Licensor Parties and any entity and/or individual acting with or without the consent of Licensor agree that Netsphere shall also be entitled to specific performance and a mandatory preliminary and permanent injunction requiring the NS Update without any bond requirement and without prior notice to the Licensor Parties. If Licensor Parties fail to

perform the NS Update within twelve (12) business hours, or immediately if Licensor Parties utilize the NS Notice Period more than two (2) times during any calendar year, it shall pay Netsphere an amount, equal to the revenue for the subject number of days (any partial days shall be rounded up to the next whole number) multiplied by fifty percent (50%), Pokerstar.com has not been directed to a Netsphere requested nameserver and/or IP address multiplied by the highest revenue earned for one day in the most recent 30 days prior to the day the nameservers and/or IP addresses were not directed to a Netsphere requested nameserver and/or IP address less fifty percent (50%) of any monies received by Netsphere for Pokerstar.com for the day(s) the nameservers and/or IP addresses were not directed (regardless of when received) as requested by Netsphere PLUS any reasonable costs, fees and attorney's fees incurred by Netsphere to obtain injunctive relief, if any, shall be deducted from the next License Fee(s) owed to Licensor until the costs, fees, attorney's fees, and penalty(ies) are fully recovered.

1.5 Intellectual Property Rights.

a. Netsphere and its advertisers, affiliates, service providers and suppliers will retain ownership of their intellectual property, including, but not limited to, patent, trademark, trade secret, and copyrights ("Intellectual Property"). All material available and/or published on a website at the address Pokerstar.com, via the nameservers and/or IP addresses that Netsphere has requested Licensor to point towards, including, but not limited to, written content, photographs, graphics, images, illustrations, marks, logos, sound or video clips, and flash animation, is protected by intellectual property rights, including, but not limited to, patent, copyright, trademark and trade secret (collectively "PS Content") and is the sole property of Netsphere or its advertisers, affiliates, service providers and/or suppliers.

b. Licensor agrees that it is not authorized or licensed to use the PS Content and/or the Intellectual Property that is used on or in connection with a website at the address Pokerstar.com and will not make a claim to any rights to or ownership of the PS Content and/or any Intellectual Property that is used on or in connection with a website at the address Pokerstar.com. Licensor will not: (1) adapt, alter, broadcast, circulate, copy, create derivative works of, display, dispose, distribute, disseminate, edit, electronically transfer, exploit, lease, license, loan, make available, modify, publish, register, rent, reproduce, retransmit, revise, sell, sublicense, translate, or use any PS Content and/or Intellectual Property; (2) reverse engineer, decompile, reverse compile, or disassemble any PS Content and/or Intellectual Property in whole or in part; (3) use any information obtained by crawling and/or spidering the website at the address Pokerstar.com (including, but not limited to the search results and any other content); and/or (4) authorize any other person or entity to do any of the foregoing.

1.6 Term and Termination.

a. Unless earlier terminated as set forth herein, the original term of this License Agreement shall extend for twenty-five (25) years from the Transfer Date as set forth in the Settlement Agreement and any subsequent renewal of this License Agreement for any period of time shall be agreed to in writing by both parties at least thirty (30) days prior to the end of the original or any subsequent term. The original term and any and all renewal terms are included within the meaning of "Term" as used herein.

b. Licensor may terminate this License Agreement only if the monthly funds received by Licensor from Netsphere fall below Twelve Thousand Five Hundred United States Dollars (\$12,500) per month for six (6) consecutive months. If Licensor elects to exercise its option to terminate under this provision, Licensor shall provide Netsphere with thirty (30) days written notice of termination.

c. Unless otherwise agreed to in this paragraph 1.6, this License Agreement may not be terminated for any reason, including, but not limited to, an alleged breach of this License Agreement or the Settlement Agreement.

1.7 No Warranties.

Nothing in this License Agreement shall be deemed to be a warranty, express or implied, by Netsphere as to Netsphere's performance under this License Agreement and/or the performance of any Online Business related to the Pokerstar.com domain. Netsphere shall not owe Licensor any fiduciary duties or other duties that are not expressly provided in this License Agreement.

1.8 Records; Auditing.

During the Term of the License Agreement, Licensor shall have the right, upon at least fifteen (15) business days prior written notice, during normal business hours, through an independent auditor, to examine and audit Netsphere's books and records for the preceding twelve (12) months (as of the date of the audit) relating solely to the operation of a website at the address Pokerstar.com and the revenue received therefrom (the "Records"), which books and records shall be kept and maintained by Netsphere in accordance with generally accepted accounting principles, consistently applied, separate and apart from the books and records for Netsphere's other business operations. Except in the case of an uncured default hereunder, Licensor may exercise such right no more than one (1) time per calendar year. The cost of any such examination and audit shall be paid by Licensor, except that, if it is determined on the basis of such audit (or if, in accordance with the following provisions, it is otherwise ultimately determined) that Netsphere's revenues received for the period audited were understated by more than five percent (5%), then the reasonable cost of the audit shall be paid by Netsphere and Netsphere shall immediately pay Licensor any sums due as a License Fee for the subject audit period.

1.9 Notice.

The parties agree that for purposes of notice, the names, e-mails, and facsimile numbers to receive notice under this License Agreement may be changed subject to such information being provided to the other party at least ten (10) days prior to the effective date of the change.

2. CONFIDENTIALITY

To the extent that the terms of this License Agreement are confidential and, except as required by law, each of Licensor and Netsphere agree not to disclose the terms of this License Agreement to anyone other than their officers, directors, attorneys, accountants, or pursuant to the formal request of any law enforcement or administrative agency or a subpoena or order of a court, or as necessary to enforce its rights or obligations under this License Agreement (the "Non-Disclosure Obligations"). Furthermore, in the event of any formal request of any law enforcement or administrative agency or a subpoena or order of court, Licensor and Netsphere must use diligent reasonable efforts to limit each disclosure of confidential information and notify the other party prior to disclosure, when permitted by law, so that either (or both) party may seek confidential treatment or a protective order preventing such disclosure. The parties' Non-Disclosure Obligations include, without limitation, refraining from publishing or issuing any press releases, news articles or external bulletins, and refraining from posting any statements on the Internet that are accessible by third parties, or sending any e-mails or other correspondence to a third party regarding the confidential terms of this License Agreement.

3. GENERAL

3.1 No Third Party Beneficiaries.

This License Agreement is made solely for the benefit of the parties to this License Agreement and their respective successors and assigns, and no other person or entity shall have or acquire any right by virtue of this License Agreement

3.2 No Inducement.

No party has been induced to enter into this License Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this License Agreement.

3.3 No Waiver.

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this License Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

3.4 Force Majeure.

If any party delays or fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor, materials or supplies or reasonable substitutes for labor, materials or supplies, governmental restrictions, government regulations, governmental controls, judicial orders, enemy or hostile governmental action, terrorism, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused provided, that the party whose performance is affected by any such event gives the other party written notice thereof within ten (10) business days of such event or occurrence.

3.5 Severability.

If a court or an arbitrator of competent jurisdiction holds any provision of this License Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

3.6 Entire Agreement and Independent Counsel.

This License Agreement, including all terms incorporated by reference, is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding and terminating any prior agreements and communications (both written and oral) regarding such subject matter. This License Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. Each party has been represented by counsel (or had the opportunity for same) and the provisions hereof shall not be construed more harshly against either party as a result of drafting responsibilities. If any action is brought to enforce or interpret the terms of this License Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.7 Independent Contractors.

The parties are independent contractors and not joint venturers. Neither party shall be deemed to be an employee, employer, partner, distributor, joint venturer, agent, or legal representative of the other party hereto for any purpose and neither party hereto shall have any right, power or authority to assume or create any obligation or responsibility on behalf of the other party hereto nor shall this be deemed an exclusive or fiduciary relationship.

3.8 Counterparts.

This License Agreement may be executed in two or more counterparts, each of which shall be an original or faxed copy and all of which together shall constitute one instrument. Facsimile signatures shall have the same force and effect as original signatures.

3.9 Descriptive Headings.

The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this License Agreement.

3.10 Taxes.

Each party shall be responsible for its own tax filings, preparation, and payments as it may relate to their respective value added tax (V.A.T.), federal, state, or local tax or any other tax imposed by any governmental entity with taxing authority related to the respective parties.

3.11 Survival.

Paragraphs 1.2 (with respect to fees incurred as of the date of termination), 1.3 (with respect to fees incurred as of the date of termination), 1.4 (with respect to fees incurred as of the date of termination), 1.5 and 2 shall survive expiration of the Term or earlier termination of this License Agreement.

IN WITNESS WHEREOF, each party through its duly authorized representative has executed this License Agreement as of the Effective Date:

NETSPHERE, INC.

ASIATRUST LIMITED AS TRUSTEE OF
THE VILLAGE TRUST

By: _____
Name:
Title:
Date:

By: _____
Name:
Title:
Date:

EXHIBIT C

Form of Pokerstar Security Agreement

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement"), effective as of _____, 2010 (the "Effective Date"), is made by ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands ("Maker"), and DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION ("Payee").

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Maker, Payee and other parties named therein (the "Settlement Agreement"), Maker agreed to make the Additional Payment (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Maker's obligations to make the Additional Payment, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker's right, title and interest in the domain name *pokerstar.com*, which shall be subordinate to the Pokerstar.com License Agreement under the Settlement Agreement ("Pokerstar License");

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Additional Payment, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"**Additional Payment Default**" shall mean Maker's failure to pay the Additional Payment in accordance with the Settlement Agreement, which failure remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker.

"**Collateral**" shall mean all of Maker's right, title and interest in and to the domain name *pokerstar.com* (the "Domain Name"), but Collateral shall not include, and the Payee waives any right to, any Proceeds and Contract Rights, insurance proceeds, unearned premiums, tax refunds, rents, profits and products thereof or any content or other information which may be located at or appear on the website using this Domain Name.

"**Contract Rights**" shall mean any right to payment related to the Collateral.

"**Event of Default**" shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker, or (ii) an Additional Payment Default.

"**GAAP**" shall mean generally accepted accounting principles.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“Pokerstar Escrow Agreement” shall have the meaning attributed to such term in the Settlement Agreement.

“Proceeds” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“Secured Obligations” shall mean the obligation of Maker to pay the Additional Payment and the obligations of Maker under this Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“UCC” shall mean the Uniform Commercial Code as in effect in the State of Texas.

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral which shall be subordinate to the Pokerstar.com License. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Agreement (including, without limitation, in a bankruptcy proceeding) except that such security interests and liens shall be subordinate to the Pokerstar.com License.

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Additional Payment remains outstanding and except as otherwise permitted under this Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral; provided, however that (i) Maker may, without Payee’s consent, sell, transfer, assign or otherwise dispose of the Collateral if the proceeds of such transaction are used to pay the Additional Payment in full, and (ii) Maker may from time to time, without Payee’s consent, sublease and/or sublicense the rights to the Pokerstar.com License (but not re-register the Collateral in violation of the Settlement Agreement) so long as such sublease or sublicense remains subject to this Agreement and subordinate to Payee’s lien on the Collateral.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Agreement:

(i) Organization and Corporate Power. Maker is a trust validly existing and in good standing under the laws of the Cooks Islands.

(ii) Authorization; No Breach. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker's capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Agreement, unless and until the Collateral is transferred to Payee pursuant to the terms of the Pokerstar Escrow Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Agreement or otherwise; and (iii) Payee's exercise of its rights under this Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Agreement (i) the address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Cook Islands is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Agreement (i) none of its Collateral is covered by any certificate of title, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations and the Pokerstar.com License.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations and the Pokerstar.com License), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, which is subordinate to the Pokerstar.com License, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Except for expenditures of cash in the ordinary course of business or as otherwise permitted under Section 3(a) of this Agreement, Maker shall not sell, transfer, assign, convey or otherwise dispose of, or extend, amend, terminate or otherwise modify any material term or

provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties. Payee shall be deemed to have exercised reasonable care in the preservation and custody of the portion of the Collateral as may be in Payee's possession if Payee takes such action as Maker shall reasonably request in writing; provided, such requested action shall not, in the judgment of Payee, impair Payee's prior security interest in such Collateral or its rights in or the value of such Collateral and, provided further, that such written request is received by Payee in sufficient time to permit Payee to take the requested action.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect the Collateral.

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor, except with respect to the Pokerstar.com License, to which its security interest is subordinate.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then so long as such Event of Default exists, (i) if the Event of Default is an Additional Payment Default, then Payee's sole remedy for such Additional Payment Default shall be to pursue a final, non-appealable judgment to cause the transfer of the Domain Name in accordance with the provisions of the Pokerstar Escrow Agreement, and (ii) if the

Event of Default is other than an Additional Payment Default, then Payee's sole remedy shall be to seek specific performance, including, but not limited to, preliminary injunctive relief and any attorneys fees permitted pursuant to subsection 14(f), by Maker of the warranty, covenant, agreement or term breached, it being understood in each instance referenced in clauses (i) and (ii) above that Payee shall not have, nor be entitled to, any other right or remedy under this Agreement, the UCC or any other applicable law.

12. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, or the Pokerstar Escrow Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Agreement by Payee.

(b) To the extent that Maker makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Maker or a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party..

13. Defeasance. Upon payment in full of the Secured Obligations, this Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 13 which shall survive), and in such event Payee shall, at Payee's expense and without recourse, representation or warranty, redeliver and reassign to Maker the Collateral, terminate the Pokerstar Escrow Agreement in accordance with its terms and take all action necessary to terminate Payee's security interest in the Collateral. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

(c) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(d) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS.

(e) This Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

(f) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

[Remainder of page intentionally left blank]

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:

Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

Address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXHIBIT D

Form of Pokerstar Escrow Agreement

DOMAIN NAME ESCROW AGREEMENT

ESCROW NO. _____

BY AND AMONG

DANIEL J. SHERMAN, TRUSTEE,
ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST
AND GRACY TITLE COMPANY

TO: Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer
Telephone: (512) 322-8728
Fax: (512) 472-3101
Email: elizabeth@gracytitle.com

THIS DOMAIN NAME ESCROW AGREEMENT ("Agreement") is made and entered into effective as of _____, 2010 (the "Effective Date"), by and among DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION (the "Chapter 11 Trustee"), ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST ("Maker") and GRACY TITLE COMPANY, a Texas corporation ("Escrow Agent"). The parties hereby agree as follows:

1. The Chapter 11 Trustee, Asiatrust and other parties named therein entered into that certain Mutual Settlement and Release Agreement dated July 2, 2010 (the "Settlement Agreement"), which provides for Maker to execute and deliver the Pokerstar Assignment (as defined in the Settlement Agreement) in escrow to secure Maker's payment of the Additional Payment (as defined in the Settlement Agreement).

2. Escrow Agent has agreed to serve in a depository capacity and as a stakeholder only, on and subject to the terms and provisions set forth in this Agreement.

3. In accordance with the Settlement Agreement, Maker will deposit in escrow, and the Escrow Agent agrees to receive and hold, the Pokerstar Assignment for the benefit of the Chapter 11 Trustee.

4. Upon receipt of (i) Maker's dated and signed notice in the form attached hereto as Schedule 1 (the "Default Notice") and (ii) a judgment ("Judgment") from either the U.S. Bankruptcy Court for the Northern District of Texas or the U.S. District Court for the Northern District of Texas, which judgment the Chapter 11 Trustee represents to be a final and non-appealable judgment, ordering the Escrow Agent to date and deliver the Pokerstar Assignment to the Chapter 11 Trustee, then (provided Maker has not objected to delivery of the Assignment by written notice delivered the Chapter 11 Trustee

and Escrow Agent within ten (10) business days after the date of the Default Notice on the grounds that the subject judgment is not final and non-appealable), Escrow Agent agrees, promptly after expiration of the subject ten (10) business day period, to date the Assignment and deliver it to Chapter 11 Trustee. Provided that if Escrow Agent receives a dated and signed release request in the form attached hereto as Schedule 2 (the "Release Notice"), Escrow Agent shall promptly return the Assignment to Maker.

5. The parties hereto recognize, acknowledge, covenant and agree that the following terms and provisions shall control with respect to the rights, privileges, duties, liabilities and immunities of Escrow Agent hereunder:

(a) Escrow Agent is acting solely in the role of a depository hereunder.

(b) Escrow Agent shall not be responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the subject matter of the escrow hereby established, or any portion thereof, or for the form or execution thereof, or for the identity or authority of any person executing or depositing the same.

(c) Escrow Agent is hereby authorized to rely upon, and shall be protected in acting upon, any written notice, statement, waiver, consent, certificate, affidavit, receipt, authorization, power of attorney or other instrument or document which Escrow Agent in good faith believes to be genuine and what it purports to be.

(d) In accepting any documents delivered to Escrow Agent hereunder, it is agreed and understood that Escrow Agent will not be called upon to construe any contract, instrument or document deposited herewith or submitted hereunder, but only to follow the specific instructions provided for pursuant to this Agreement.

(e) Except for this Agreement, Escrow Agent is not a party to, and shall not be bound by, any agreements by and among Chapter 11 Trustee and Maker.

(f) Escrow Agent shall not be liable for anything which it may do or refrain from doing in connection herewith, except due directly to its own negligence or willful misconduct.

(g) In the event of any disagreement between any of the parties to this Agreement, or between them or either or any of them and any other person or party, resulting in adverse and/or conflicting claims or demands being made in connection with the subject matter of this escrow, or in the event that Escrow Agent, in good faith, is in doubt as to what action it should take hereunder, Escrow Agent may, in its sole discretion, refuse to comply with any claims or demands made upon it, or refuse to take any other action hereunder, or interplead this agreement into the U.S. District Court for the Northern District of Texas, so long as such disagreement continues or such doubt exists, and in such event Escrow Agent shall not be or become liable in any way or to any person or party for its failure or refusal to act, and Escrow Agent shall be entitled to continue to so refrain from acting until (i) the rights of all interested parties shall have been fully and finally adjudicated by either the U.S. Bankruptcy Court for the Northern District of Texas or the U.S. District Court for the Northern District of Texas or (ii) all differences shall have been adjusted and all doubt resolved by agreement among all of the interested parties and Escrow Agent shall have been notified thereof in writing signed by all such parties.

6. For its ordinary services hereunder, Escrow Agent shall be entitled to a fee of \$100.00, payable by Maker concurrently with Escrow Agent's execution hereof.

7. Any notice, report or demand required, permitted or desired to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes on the day sent by nationally recognized overnight courier or when telefaxed by confirmed facsimile, addressed to (i) Escrow Agent at the address on the first page hereof, and (ii) the Chapter 11 Trustee and Asiatrust as follows:

If to Maker: Asiastrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands
Phone: 011-682-2338
Fax: 011-682-2338

If to the Chapter 11 Trustee: Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

8. Facsimile signatures appearing hereon shall be deemed an original and this document may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9. This Agreement constitutes the entire agreement and understanding among Maker, the Chapter 11 Trustee and Escrow Agent with respect to the Assignment. No subsequent alteration, amendment, change, deletion or addition to this Agreement shall be binding or effective unless the same shall be in writing and signed by all parties to this Agreement.

10. This Agreement shall be governed by and construed under and in accordance with the laws of the State of Texas, without resort to conflicts of law principles.

11. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

12. Time is of the essence with respect to this Agreement.

MAKER:

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____

Name: _____

Title: _____

CHAPTER 11 TRUSTEE:

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

ESCROW RECEIPT

Escrow Agent hereby acknowledges receipt of this Agreement and of the original of the Pokerstar Assignment referenced therein and agrees to hold and dispose of the same in accordance with the terms and provisions of this Agreement.

Dated: _____, 2010

ESCROW AGENT:

Gracy Title Company

By _____

Elizabeth Young
Sr. Commercial Escrow Officer

SCHEDULE 1 TO EXHIBIT D - ESCROW AGREEMENT

Form of Default Notice

_____, 20__

**BY CERTIFIED MAIL, RETURN
RECEIPT REQUESTED**

Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer

RE: Escrow No. _____ (“Escrow”) by and between Daniel J. Sherman, Trustee (the “Chapter 11 Trustee”), Asiatrust Limited as Trustee of the Village Trust (“Asiatrust”) and Gracy Title Company “Escrow Agent”

Dear Ms. Young:

Pursuant to the referenced Escrow, the Chapter 11 Trustee hereby (i) advises Escrow Agent that the _____ [name of court issuing order] has issued the attached judgment (“Judgment”) ordering Escrow Agent to date and deliver the Pokerstar Assignment to the Chapter 11 Trustee; (ii) represents to Escrow Agent that the Judgment is final and non-appealable; and (iii) instructs Escrow Agent to take the following action on the eleventh (11th) business day after the date Escrow Agent receives this notice:

1. Date the Pokerstar Assignment as of the date of Escrow Agent’s receipt of this notice;
2. Mail the Assignment to the Chapter 11 Trustee by certified mail, return receipt requested, to the following address:

Daniel J. Sherman, Trustee for Ondova Limited
Company
509 N. Montclair Avenue
Dallas, Texas 75208

3. Mail a copy of this notice and of Escrow Agent’s transmittal pursuant to Section 2 above (inclusive of a copy of the dated Assignment) to Asiatrust by certified mail, return receipt requested, to the following addresses:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXECUTION VERSION

Sincerely,

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

cc: Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659
(via certified mail, return receipt requested)

EXECUTION VERSION

SCHEDULE 2 TO EXHIBIT D - ESCROW AGREEMENT

Form of Request Notice

_____, 20__

**BY CERTIFIED MAIL, RETURN
RECEIPT REQUESTED**

Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer

RE: Escrow No. _____ ("Escrow") by and between Daniel J. Sherman,
Trustee (the "Chapter 11 Trustee"), Asiatrust Limited as Trustee of the Village Trust
("Asiatrust") and Gracy Title Company ("Escrow Agent")

Dear Ms. Young:

Pursuant to the referenced Escrow, the Chapter 11 Trustee and Asiatrust hereby (i) advise Escrow Agent that Asiatrust has satisfied its obligations pursuant to that certain Security Agreement dated _____, 2010, from Asiatrust, as Maker, and the Chapter 11 Trustee, as Payee, and (ii) instruct Escrow Agent to promptly return the Pokerstar assignment to Asiatrust by certified mail, return receipt requested, to the following address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

Sincerely,

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

cc: Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659
(*via certified mail, return receipt requested*)

D-9

EXHIBIT E

Form of Pokerstar Assignment

ASSIGNMENT

STATE OF _____
COUNTY OF _____

§
§
§

KNOW ALL BY THESE PRESENTS

WHEREAS, THE VILLAGE TRUST, a Cook Islands trust ("Assignor"), is the owner and holder of the domain name *pokerstar.com* (the "Name"); and

WHEREAS, Assignor desires to sell, assign, and transfer the Name to DANIEL J. SHERMAN, CHAPTER 11 TRUSTEE FOR ONDOVA LIMITED COMPANY ("Assignee"); and

WHEREAS, Assignee desires to acquire the Name from Assignor;

NOW, THEREFORE, FOR VALUE RECEIVED:

1. Assignor hereby sells, assigns and transfers the name, and all right, title and interest of Assignor in and to the Name, subject to the Pokerstar.com License Agreement under the Settlement Agreement, unto Assignee, its successors and assigns, forever, and Assignor covenants and agrees, on Assignor's behalf, and on behalf of Assignor's successors and assigns, to warrant and forever defend the title to the Name, and all such right, title and interest, against the claims and demands of all persons.

2. Assignor hereby (i) represents to Assignor that it (a) owns the Name free and clear of any liens or encumbrances, except for the Pokerstar.com License Agreement under the Settlement Agreement, (b) has full power and authority to sell, assign and transfer the Name to Assignee pursuant to this Assignment, and (c) has taken all action required for the effectuation of the sale, assignment and transfer of the Name to Assignee pursuant to this Assignment.

3. The undertakings and covenants contained in this Assignment shall be binding upon, and inure to the benefit of, Assignee, its successors and assigns.

4. This Assignment shall be governed by and construed under the substantive laws of the State of Texas, without resort to conflict of laws principles.

EXECUTED on the __ day of _____, 2010.

ASSIGNOR:

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____

Name: _____

Title: _____

STATE OF _____

§
§
§

COUNTY OF _____

This instrument was acknowledged before me on _____, 20__, by _____, _____ of Asiatrust Limited, Trustee of The Village Trust, a Cook Islands trust, on behalf of said trust.

Notary Public, State of _____

EXHIBIT F

Form of Blue Horizon Security Agreement

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement"), effective as of _____, 2010 (the "Effective Date"), is made by ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands ("Maker"), and DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION ("Payee").

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Maker, Payee and other parties named therein (the "Settlement Agreement"), Maker agreed to make the Additional Payment (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Maker's obligations to make the Additional Payment, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker's right, title and interest in the Blue Horizon Portfolio (as defined below);

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Additional Payment, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"**Additional Payment Default**" shall mean Maker's failure to pay the Additional Payment in accordance with the Settlement Agreement, which failure remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker.

"**Blue Horizon Portfolio**" shall mean any and all domain names that previously were registered through Ondova Limited Company, exclusive of the Even Group Portfolio (as defined in the Settlement Agreement), the Odd Group Portfolio (as defined in the Settlement Agreement) and any domain name not registered through or at Ondova Limited Company as of February 22, 2010, and exclusive of *pokerstar.com*, *servers.com* and the Excluded Disputed Domains.

"**Collateral**" shall mean all of Maker's right, title and interest in and to the Blue Horizon Portfolio, but Collateral shall not include, and the Payee waives any right to, any Proceeds and Contract Rights, insurance proceeds, unearned premiums, tax refunds, rents, profits and products thereof or any content or other information which may be located at or appear on a website using any domain name in the Blue Horizon Portfolio.

"**Contract Rights**" shall mean any right to payment related to the Collateral.

“**Event of Default**” shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker, or (ii) an Additional Payment Default, or (iii) any non-Payee breach Section 6.C. of the Settlement Agreement.

“**GAAP**” shall mean generally accepted accounting principles.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“**Post-Default Deposits**” shall mean all Proceeds, Contract Rights, insurance proceeds, rents, profits and revenue of any type or character actually received by Maker generated from the Collateral (including but not limited to revenues generated from any lease or license of the Collateral) after the date of a Noticed Default (as defined in Section 11 hereof).

“**Proceeds**” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“**Secured Obligations**” shall mean the obligation of Maker to pay the Additional Payment and the obligations of Maker under this Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“**UCC**” shall mean the Uniform Commercial Code as in effect in the State of Texas.

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Agreement (including, without limitation, in a bankruptcy proceeding).

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Additional Payment remains outstanding and except as otherwise permitted under this Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral; provided, however, that Maker may, without Payee’s consent, sell, transfer, assign or otherwise dispose of the Collateral if the proceeds of such transaction are used to pay the Additional Payment in full.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Agreement:

(i) Organization and Corporate Power. Maker is a trust validly existing and in good standing under the laws of the Cooks Islands.

(ii) Authorization; No Breach. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker's capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Agreement or otherwise; and (iii) Payee's exercise of its rights under this Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Agreement (i) the address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Cook Islands is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Agreement (i) none of its Collateral is covered by any certificate of title, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Except for expenditures of cash in the ordinary course of business or as otherwise permitted under Section 3(a) of this Agreement, Maker shall not sell, transfer, assign, convey or

otherwise dispose of, or extend, amend, terminate or otherwise modify any material term or provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties. Payee shall be deemed to have exercised reasonable care in the preservation and custody of the portion of the Collateral as may be in Payee's possession if Payee takes such action as Maker shall reasonably request in writing; provided, such requested action shall not, in the judgment of Payee, impair Payee's prior security interest in such Collateral or its rights in or the value of such Collateral and, provided further, that such written request is received by Payee in sufficient time to permit Payee to take the requested action.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect the Collateral.

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then Payee shall have the right to auction the Collateral pursuant to Article 9 of the UCC; provided, auction shall occur only after notice and advertising of any sale at public auction has been published for at least sixty (60) days in advance of the sale date and notice must be provided to persons and entities as are required under Article 9 of the UCC

for the conduct of a commercially reasonable sale at public auction. Additionally, any such sale at public auction must be conducted by one of the nationally recognized domain name auctioneers (or their successors) listed on Schedule 1 attached hereto, to the extent that such auctioneers are then in existence and in the business of conducting domain name auctions. If none of the auctioneers (or their respective successors) listed on Schedule 1 are then in existence or will agree to conduct the sale on sixty (60) days notice, then Payee must use such other auctioneer as would be required by Article 9 of the UCC for the conduct of a commercially reasonable sale at public auction. In the event that a sale of the Collateral and application of the Post-Default Deposits results in a surplus over and above the amount of the Deferred Payment debt plus any fees and costs pursuant to Section 15(f) below, then such surplus shall be promptly paid to Maker and, in the event that a sale of the Collateral results in a deficiency, then Payee shall have recourse for such deficiency against Maker. To the extent that Payee seeks payment of the Additional Payment debt from the Post-Default Deposits, Manila shall be liable to Maker for the amount of Post-Default Deposits applied to the Additional Payment debt.

12. Agreement to Deposit Funds. In the event of an uncured Additional Payment Default or a default under Section 3(a) above, and upon written notice to Maker by Payee pursuant to the terms hereof, and regardless of whether Maker contests whether such Additional Payment Default or other default under Section 3(a) above has occurred or whether Maker asserts defenses to such alleged default, Maker agrees and it shall deposit into the registry of the United States District Court for the Northern District of Texas, all Post Default Deposits. Maker agrees and stipulates that its obligation to make the Post Default Deposits, as described herein, shall be enforceable by injunctive relief without bond and without the need for Payee to demonstrate irreparable injury, such injury being stipulated and agreed to herein, and regardless of whether Maker asserts defenses to any of the defaults called by Payee hereunder. All payments by Maker of the Post-Default Deposits shall be made within five (5) business days from the date that they are received by Maker. The obligation to make Post Default Deposits and prohibition against diverting revenues or traffic set forth in Section 6.c. of the Settlement Agreement shall be enforceable by injunctive relief and based upon the stipulation and agreement of Maker that no bond shall be required for such injunctive relief, and no showing of irreparable injury shall be required, such irreparable injury being stipulated to by Maker herein.

13. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Agreement by Payee.

(b) To the extent that Maker makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Maker or a trustee, receiver or any other party under any

bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party.

14. Defeasance. Upon payment in full of the Secured Obligations, this Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 14 which shall survive), and in such event Payee shall, at Payee's expense and without recourse, representation or warranty, redeliver and reassign to Maker the Collateral and take all action necessary to terminate Payee's security interest in the Collateral. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

15. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

(c) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(d) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS.

(e) This Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

(f) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-

defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:
Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

Address:
Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXHIBIT G

Form Of Agreed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	CASE NO. 09-34784-SGJ-11
ONDOVA LIMITED COMPANY,	§	
	§	CHAPTER 11
DEBTOR.	§	
	§	

AGREED ORDER DIRECTING PAYMENT OF MONETIZATION FUNDS TO TRUSTEE

At Dallas, Texas, in said District, pursuant to the Order entered on July __, 2010 approving the Trustee's Motion for Approval of Settlement Agreement Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure ("Settlement Motion") filed on June __, 2010 by Daniel J. Sherman, Chapter 11 Trustee of Ondova Limited Company ("Trustee"), in the event of default of payment of the provisions of the Mutual Settlement and Release Agreement executed on July 2, 2010 ("Settlement Agreement") the Trustee is entitled to receive monetization funds from revenues generated from domain names directly from hitfarm.com or any other monetizer used by the Village Trust, Javelina, LLC, Novo Point, LLC or Diamond Key, LLC.

The Trustee has not received payments pursuant to the Settlement Agreement and accordingly, hitfarm.com is directed to pay all monetizations from Novo Point, LLC, Javelina, LLC and Diamond Key, LLC directly to Daniel J. Sherman in the amount of \$_____.

It is so ORDERED.

END OF ORDER

EXECUTION VERSION

AGREED TO:

MUNSCH HARDT KOPF & HARR, P.C.

HOHMANN, TAUBE & SANDERS, LLP

By: _____
Raymond J. Urbanik
3800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201-6659
Telephone: (214) 855-7500
Facsimile: (214) 855-7584

By: _____
Eric Taube
100 Congress Avenue, 18th Floor
Austin, Texas 75701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248

ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

ATTORNEYS FOR THE VILLAGE TRUST,
JAVELINA, LLC, NOVO POINT, LLC AND
DIAMOND KEY, LLC

PRONSKE & PATEL

By: _____
Gerrit M. Pronske
2200 Ross Avenue, Suite 5350
Dallas, Texas 75201
Telephone: (214) 658-6501
Facsimile: (214) 658-6509

ATTORNEYS FOR JEFF BARON

a

EXHIBIT H

Form of Agreed Order of Dismissal/Joint Stipulation in the Texas Case

CAUSE NO. 06-11717-C

ONDOVA LIMITED COMPANY, ET AL, PLAINTIFFS,	§ §	IN THE DISTRICT COURT
VS.	§ § § § §	68th JUDICIAL DISTRICT
MANILA INDUSTRIES, INC., ET AL, DEFENDANTS.	§	DALLAS COUNTY, TEXAS

STIPULATED DISMISSAL WITH PREJUDICE

Plaintiffs, Ondova Limited Company d/b/a Compana, LLC and Jeffrey Baron (collectively "Plaintiffs"), filed the Complaint in Cause No. 06-11717-C against Defendants, Munish Krishan, Manila Industries, Inc., Netsphere, Inc., HCB, LLC, Realty Investment Management, LLC, Simple Solutions, LLC, Denis Kleinfeld, Four Points Management, LLLP and Marshden, LLC (collectively "Defendants"). CK Ventures, Inc. d/b/a Hitfarm.com ("Hitfarm") has intervened in this matter and Quantec LLC ("Quantec"), Novo Point LLC ("Novo Point"), and Iguana Consulting LLC ("Iguana") have sought to intervene (Hitfarm, Quantec, Novo Point, and Iguana are herein collectively referred to as the "Intervenors"). Plaintiffs have now agreed upon a resolution of this matter with Defendants and Intervenors prior to a trial on the merits. Plaintiffs, Defendants and Intervenors hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiffs, Defendants and Intervenors are dismissed with prejudice to the right of Plaintiffs, Defendants and Intervenors to file or refile same or any part thereof against any and/or all of the parties herein.
3. Each party shall bear its own costs and attorneys' fees.

4. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>_____ <u>Jeffrey Baron</u> Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Manila Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>

<p>_____</p> <p><u>Munish Krishan</u></p> <p>Date: _____, 2010</p>	<p>CK Ventures, Inc. d/b/a Hitfarm.com</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>
<p>HCB, LLC</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>	<p>Realty Investment Management, LLC</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>
<p>Simple Solutions, LLC</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>	<p>Four Points Management, LLLP</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>
<p>Marshden, LLC</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>	<p>_____</p> <p><u>Denis Kleinfeld</u></p> <p>Date: _____, 2010</p>

SO ORDERED:

Signed _____, 2010.

HONORABLE DISTRICT COURT JUDGE
MARTIN HOFFMAN

EXHIBIT I

Form of Agreed Order of Dismissal/Joint Stipulation in the VI Case

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS
DIVISION OF ST. THOMAS AND ST. JOHN**

SIMPLE SOLUTIONS, LLC,)	
)	
Plaintiff,	)	No. 3:07-CV-123
)	
v.	)	ACTION FOR BREACH OF CONTRACT,
	)	BREACH OF FIDUCIARY DUTY, AND
ONDOVA LIMITED CO., LLC, d/b/a )	)	FRAUD
COMPANA, LLC,)	
)	
Defendant.)	
_____))	

STIPULATED DISMISSAL WITH PREJUDICE

Plaintiff, Simple Solutions, LLC, filed the Complaint in Civil No. 3:07-CV-123 against Defendant, Ondova Limited Company d/b/a Compana, LLC. Plaintiff has now agreed upon a resolution of this matter with Defendant prior to a trial on the merits. Plaintiff and Defendant hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiff and Defendant are dismissed with prejudice to the right of Plaintiff and Defendant to file or refile same or any part thereof against any and/or all of the parties herein.
4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

Simple Solutions, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010	Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010
Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: _____ Name: _____ Title: _____ Date: _____, 2010	

SO ORDERED:

Signed _____, 2010.

THE HONORABLE GEOFFREY W. BARNARD
U.S. MAGISTRATE JUDGE

EXHIBIT J

Form of Joint Motion to Stay Proceedings in the Phonecards.com Case

CAUSE NO. DC08-13925-C

EQUITY TRUST COMPANY, f/k/a	§	
Mid Ohio Securities, Custodian FBO	§	IN THE DISTRICT COURT OF
IRA 19471, and JEFFREY BARON,	§	
As Beneficiary of Equity Trust Company	§	
FBO IRA 19471,	§	
	§	
<i>Plaintiffs,</i>	§	
	§	
vs.	§	DALLAS COUNTY, TEXAS
	§	
ROHIT KRISHAN, Individually and d/b/a	§	
CallingCards.com, MUNISH KRISHAN	§	
Individually and d/b/a CallingCards.com,	§	
MANOJ KRISHAN, Individually and d/b/a	§	
CallingCards.com, and	§	
CALLINGCARDS.COM, LLC	§	
	§	68TH JUDICIAL DISTRICT
<i>Defendants.</i>	§	

JOINT NONSUIT FOR DISMISSAL WITH PREJUDICE

TO THE HONORABLE JUDGE MARTIN HOFFMAN:

Plaintiffs Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471, and Jeffrey Baron, as Beneficiary of Equity Trust Company FBO 19471 and Defendants Rohit Krishan, individually and d/b/a Callingcards.com, Munish Krishan, Manoj Krishan and Callingcards.com, LLC, pursuant to TEX. R. CIV. P. 162, hereby notify the Court of Plaintiffs' Dismissal and Nonsuit with Prejudice of any and all claims brought or that could have been brought against Defendants in the above styled case in the 68th Judicial District of Dallas County, Texas. Defendants also, pursuant to Rule 162, hereby notify this Court of Defendants' Dismissal and Nonsuit with Prejudice of any and all claims brought or that could have been brought against the Plaintiffs in this matter.

This Joint Nonsuit for Dismissal with Prejudice becomes effective immediately upon filing of this notice, and requires no intervention by this Court.

EXECUTION VERSION

Respectfully submitted,

By: _____

Mark L. Taylor
State Bar No. 00792244
Amy A. Johnson
State Bar No. 24060024
CASH POWERS TAYLOR L.L.P.
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
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ATTORNEYS FOR PLAINTIFFS

BOYARMILLER

By: _____

Lee A. Collins
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4265 San Felipe Road, Suite 1200
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Telephone: (713) 850-7766
Facsimile: (713)552-1758

And

LOCKE LORD BISSELL & LIDELL LLP

By: _____

John W. MacPete
State Bar No. 00791156
2200 Ross Avenue, Suite 2200
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Telephone: (214) 740-8662
Facsimile: (214) 756-8662

**COUNSEL FOR DEFENDANTS MANOJ
KRISHAN, MUNISH KRISHAN, ROHIT
KRISHAN, INDIVIDUALLY AND DBA
CALLINGCARDS.COM, AND
CALLINGCARDS.COM, LLC**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served, pursuant to TEX. R. CIV. P. 21 and 21a, on this the ___ day of _____ 2010 on the following:

Via Fax

Mark Taylor
Amy Johnson
Cash Powers Taylor LLP
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
Fax: (214) 239-8901

Via Certified Mail, Return Receipt Requested

Jeffrey Hall
7242 Main St.
Frisco, TX 75034

Via Fax

John W. MacPete
LOCKE LORD BISSELL & LIDDELL LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Fax: (214) 756-8662

John W. MacPete

EXHIBIT K

Form of Agreed Order of Dismissal/Joint Stipulation in the Dallas Federal Case

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC., et al.,

Plaintiffs,

vs.

JEFFREY BARON, et. al.,

Defendants.

§
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**CIVIL ACTION NO.
3-09CV0988-F**

STIPULATED DISMISSAL WITH PREJUDICE

Plaintiffs, Netsphere, Inc., Manila Industries, Inc. and Munish Krishan (collectively "Plaintiffs"), filed the Complaint in Civil No. 3-09-CV-0988-F against Defendants, Jeffrey Baron and Ondova Limited Company d/b/a Compana, LLC (collectively "Defendants"). Charla Aldous ("Aldous") and Jeffrey Rasansky ("Rasansky") have intervened in this matter and Quantec LLC ("Quantec"), Novo Point LLC ("Novo Point"), and Iguana Consulting LLC ("Iguana") have sought to intervene (Aldous, Rasansky, Quantec, Novo Point, and Iguana are herein collectively referred to as the "Intervenors"). Plaintiffs have now agreed upon a resolution of this matter with Defendants and Intervenors prior to a trial on the merits. Plaintiffs, Defendants and Intervenors hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiffs, Defendants and Intervenors are dismissed with prejudice to the right of Plaintiffs,

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>Netsphere, Inc.</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>	<p>Manila Industries, Inc.</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>
	<p>_____ <u>Munish Krishan</u></p> <p>Date: _____, 2010</p>
<p>_____ <u>Jeffrey Baron</u></p> <p>Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>	<p>Quantec LLC</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>

EXECUTION VERSION

Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010	Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010
_____ <u>Charla Aldous</u> Date: _____, 2010	_____ <u>Jeffrey Rasansky</u> Date: _____, 2010

SO ORDERED:

Signed _____, 2010.

THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT COURT JUDGE

EXHIBIT L

Form of CC Assignment

PHONECARDS.COM ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT ("Agreement") is dated as of _____, 2012, from CallingCards.com, LLC ("Assignor"), to Equity Trust Company ("Assignee").

1. Assignor hereby assigns to Assignee, and Assignee hereby accepts from Assignor, all of the right, title and interest that Assignor possesses and has the right to assign in the domain name PHONECARDS.COM in exchange for Assignee's payment of Ten Thousand Dollars (\$10,000.00 U.S.), in certified funds, which is tendered concurrently herewith.

2. Assignor will take such additional steps necessary, if any, to vest in Assignee all right, title and interest of Assignor in and to the domain name PHONECARDS.COM, and otherwise to carry out the purpose and intent of this Agreement.

3. This Agreement may be signed in counterparts. A facsimile copy or an electronic image of a signed counterpart shall be deemed to be equivalent to a signed original.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Agreement to be executed and delivered on the date first above written.

ASSIGNOR:

CallingCards.com, LLC

By: _____

Name: _____

Title: _____

ASSIGNEE:

Equity Trust Company

By: _____

Name: _____

Title: _____

EXHIBIT M

Form of Dauben Disclaimer of Interest

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DISCLAIMER OF INTEREST

STATE OF TEXAS §
 § KNOW ALL THESE PRESENTS:
COUNTY OF DALLAS §

Joey Dauben, on behalf of himself, Dauben, Inc., d/b/a Texas International Property Associates and Privacy Protection Services, Inc., d/b/a Oakwood Services, Inc., and his and their respective affiliates hereby disclaims any interest in the property described below:

1. Even Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Restore List (as defined in Paragraph 5(e) of the Preliminary Injunction);
2. Odd Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Allocated Names List (as defined in Paragraph 5(d) of the Preliminary Injunction); and
3. Blue Horizon Portfolio, meaning all domain names that previously were registered through Ondova Limited Company, exclusive of the Even Group Portfolio, the Odd Group Portfolio and any domain name not registered through or at Ondova Limited Company as of February 22, 2010, and exclusive of the domain names *Pokerstar.com*, *Servers.com*, and the Excluded Disputed Domains (defined below).
4. The following domain names: *Pokerstar.com*, *Servers.com*, and the Excluded Disputed Domains (defined as the list of twelve (12) domain names in an e-mail from Raymond J. Urbanik to Gerrit Pronske on June 2, 2010).

SIGNED on the date acknowledged below.

JOEY DAUBEN

EXECUTION VERSION

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2010, by Joey Dauben.

Notary Public State of Texas

EXHIBIT N

Form of Rescission/Quitclaim Agreement (Quantec LLC and Iguana Consulting LLC)

RESCISSION AGREEMENT

This Rescission Agreement (this "Agreement") is made this ___ day of _____, 2010 among Quantec LLC, a Cook Islands limited liability company ("Quantec LLC"), Iguana Consulting LLC, a Cook Islands limited liability company ("Iguana Consulting LLC"), and Asiatrust Limited as Trustee of the MMSK Trust, a trust organized and established under the laws of the Cook Islands ("Asiatrust").

RECITALS

A. On or about July 6, 2009, Asiatrust purported to transfer, by operation of law or otherwise, to Quantec LLC 293.25 shares of the capital stock of Quantec, Inc., a United States Virgin Islands corporation (the "Quantec Shares") in consideration of the purported issuance by Quantec LLC to Asiatrust of membership interests in Quantec LLC (the "Quantec LLC Interests").

B. On or about July 6, 2009, Asiatrust purported to transfer, by operation of law or otherwise, to Iguana Consulting LLC 293.25 shares of the capital stock of Iguana Consulting, Inc., a United States Virgin Islands corporation (the "Iguana Shares") in consideration of the purported issuance by Iguana Consulting LLC to Asiatrust of membership interests in Iguana Consulting LLC (the "Iguana Consulting LLC Interests").

C. Asiatrust, Quantec LLC and Iguana Consulting LLC desire to rescind the purported transfer of the Quantec Shares and the Iguana Shares and the purported issuance of the Quantec LLC Interests and the Iguana Consulting LLC Interests and to reinstate Asiatrust's ownership of the Quantec Shares and the Iguana Shares as if such purported transfer and issuance had never happened.

AGREEMENT

In consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Quantec LLC, Iguana Consulting LLC and Asiatrust hereby agree as follows:

1. Rescission of Share Transfer. Quantec LLC and Asiatrust mutually agree that the purported transfer, by operation of law or otherwise, of the Quantec Shares from Asiatrust to Quantec LLC is hereby rescinded and shall be treated as if such transfer never occurred. Iguana Consulting LLC and Asiatrust mutually agree that the purported transfer, by operation of law or otherwise, of the Iguana Shares from Asiatrust to Iguana Consulting LLC is hereby rescinded and shall be treated as if such transfer never occurred. Quantec LLC expressly quitclaims to Asiatrust and disavows all rights of every kind, nature and description, if any, it may have, or ever had, in and to all rights related to the Quantec Shares, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after July 6, 2009 from the Quantec Shares. Iguana Consulting LLC expressly quitclaims to Asiatrust and disavows all rights of every kind, nature and description, if any, it may have, or ever had, in and to all rights related to the Iguana Shares, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after July 6, 2009 from the Iguana Shares.

2. Rescission of Membership Interest Issuance. Quantec LLC and Asiatrust mutually agree that the purported issuance of the Quantec LLC Interests to Asiatrust is hereby rescinded and shall be treated as if such issuance never occurred. Quantec LLC and Asiatrust further agree that Asiatrust shall not be treated as ever having been a member of, or owner of any equity interests in, Quantec LLC. Iguana Consulting LLC and Asiatrust mutually agree that the purported issuance of the Iguana Consulting Interests to Asiatrust is hereby rescinded and shall be treated as if such issuance never occurred. Iguana Consulting LLC and Asiatrust further agree that Asiatrust shall not be treated as ever having been a member of, or owner of any equity interests in, Iguana Consulting LLC.

3. Further Actions. Each of Quantec LLC, Iguana Consulting LLC and Asiatrust shall execute all such additional documents and take all such further action as may be necessary or desirable to effect any of the purposes of, or to reflect any of the actions taken in, this Agreement.

4. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

5. Amendments, Waivers, Counterparts, Jurisdiction, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by each party hereto.

(b) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(c) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(d) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

QUANTEC LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

EXHIBIT O

Form of MMSK Trust Assignments

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 293.25 shares of the common stock of Quantec, Inc. represented by certificate No. 2, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: _____

Name: _____

Title: _____

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 293.25 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 8, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: _____

Name: _____

Title: _____

IN THE PRESENCE OF:

EXHIBIT P

Form of Manila Related Parties' Assignments

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 114.25 shares of the common stock of Quantec, Inc. represented by certificate No. 9, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Biju Mathew

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____] , a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 45 shares of the common stock of Quantec, Inc. represented by certificate No. 10, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Amir Asad

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 40 shares of the common stock of Quantec, Inc. represented by certificate No. 11, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Rohit Krishan

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 5 shares of the common stock of Quantec, Inc. represented by certificate No. 12, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Manish Aggarwal

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 2.5 shares of the common stock of Quantec, Inc. represented by certificate No. 13, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Amer Zaveri

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 114.25 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 3, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Biju Mathew

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 45 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 4, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Amir Asad

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 40 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 5, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Rohit Krishan

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 5 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 8, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Manish Aggarwal

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 2.5 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 9, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Amer Zaveri

IN THE PRESENCE OF:

EXHIBIT Q

**RESIGNATION OF PROTECTOR AND APPOINTMENT OF SUCCESSOR
PROTECTOR OF THE MMSK TRUST**

WHEREAS, on December 30, 2005, Munish and Seema Krishan, as Settlers, Asiatrusted Limited, as Trustee, and PN Management Limited, as Protector, executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The MMSK Trust (the "Trust");

WHEREAS, PN Management Limited is currently serving as Protector of the Trust;

WHEREAS, Article V.A. of the Trust Deed provides that the Protector may appoint a successor Protector of the Trust;

WHEREAS, Article V.C. of the Trust Deed provides that the Protector may resign at any time by delivering written notice to the Trustee, which resignation shall be effective at the time or under the conditions specified in such instrument;

WHEREAS, Article III.G. of the Trust Deed provides that a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XIX of the Trust Deed;

WHEREAS, Article V.D. of the Trust Deed provides that the Protector shall have the benefit of the same indemnities, protections, and exculpations as conferred on the Trustee by the operation of law or under the terms of the Trust Deed;

WHEREAS, PN Management Limited wishes to appoint a successor Protector of the Trust;

WHEREAS, PN Management Limited (hereafter, the "Resigning Protector") wishes to resign as Protector of the Trust by giving written notice to the Trustee and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein.

NOW, THEREFORE, the parties agree to the following:

1. The Resigning Protector does hereby appoint **Cook Islands Trust Protectors Limited** as successor protector (the "Successor Protector") to exercise all powers and discretions granted to the Protector under the Trust Deed.

2. By its signature hereto, the Successor Protector does hereby covenant and agree, in its capacity as Protector of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

3. Pursuant to Article V.D., Article III.G. and Article XIX of the Trust Deed, the Trustee hereby covenants with the Resigning Protector and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to indemnify the Resigning Protector and its directors and officers and its successors in title against any and all liabilities, actions, proceedings, claims, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses, and other liabilities of whatsoever nature for and in respect of which the Resigning Protector may be or become liable as protector or former protector of the Trust (the "Liabilities"), PROVIDED THAT the liability of the Trustee under the above indemnity shall not extend to the Liabilities that arise

from the Resigning Protector's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Trustee under the above indemnity shall be limited to the Resigning Protector's right of indemnity against the Trust Property provided under the Trust Deed and shall extend only to the Liabilities in respect of which the Resigning Protector would have been entitled to reimbursement out of the property of the Trust had it remained protector of the Trust on its present terms.

4. The Resigning Protector is hereby released from all liabilities, undertakings, and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings, and obligations relate to the Trust Property.

5. The Resigning Protector does hereby resign as Protector of the Trust.

6. This document shall take effect upon the date on which the last of the undersigned parties executes this document.

7. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

8. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

9. This document shall be governed by, and construed in accordance with the laws of, the Cook Islands.

RESIGNING PROTECTOR:

PN MANAGEMENT LIMITED

By: _____
Print Name: _____
Title: _____

Date

SUCCESSOR PROTECTOR:

COOK ISLANDS TRUST PROTECTORS LIMITED

By: _____
Print Name: _____
Title: _____

Date

Joinder Agreement

WHEREAS, the Trust (as defined above) is a party to that certain Mutual Settlement and Release Agreement by and among Munish Krishan, et al, initially approved by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division Bankruptcy, in Case No. 09-34784-SGJ-11 on June 22, 2010 (the "Settlement Agreement"); and

WHEREAS, in connection with the Settlement Agreement and the subject appointment, PN Management Limited desires for Cook Islands Trust Protectors Limited to (i) acknowledge receipt of a copy of the Settlement Agreement, and (ii) in its capacity as Protector of the Trust, agree to perform the obligations of the Trust pursuant to the Settlement Agreement;

NOW, THEREFORE, Cook Islands Trust Protectors Limited hereby: (i) acknowledges receipt of a copy of the Settlement Agreement; and (ii) covenants and agrees, in its capacity as successor Trustee of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

COOK ISLANDS TRUST PROTECTORS LIMITED

By: _____
Print Name: _____
Title: _____

_____ Date

EXHIBIT R

Form of PN Management Limited Resignation

Form of Asiatrust Resignation

**RESIGNATION OF TRUSTEE and APPOINTMENT OF SUCCESSOR TRUSTEE
OF THE MMSK TRUST**

WHEREAS, on December 30, 2005, Munish and Seema Krishan, as Settlers (the "Settlers"), Asiatrust Limited, as Trustee ("Asiatrust"), and PN Management Limited, as Protector (the "Protector"), executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The MMSK Trust (the "Trust");

WHEREAS, Article III.C. of the Trust Deed provides that the Trustee may resign at any time by providing written notice addressed to the Protector;

WHEREAS, Article III.B.3. of the Trust Deed gives the Protector the power to appoint a successor Trustee, whether within or without the Cook Islands, as Trustee of the Trust;

WHEREAS, Article III.G. of the Trust Deed provides that without prejudice to any other right conferred by law a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XIX of the Trust Deed;

WHEREAS, Asiatrust desires to resign as Trustee of the Trust (the "Resigning Trustee") by giving written notice to the Protector and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein; and

NOW, THEREFORE, the parties hereto agree to the following:

1. Asiatrust does hereby provide written notice to the Protector that it resigns as Trustee of the Trust and Asiatrust is hereby discharged from all or any of the trusts and powers reposed in or conferred on it under the Trust Deed.
2. PN Management Limited, as Protector, does hereby appoint GCSL Trustees Limited as successor Trustee of the Trust (the "Successor Trustee"), to exercise all powers and discretions granted to the Trustee under the Trust Deed.
3. GCSL Trustees Limited does hereby accept its appointment as successor Trustee of the Trust and hereby covenants with the Resigning Trustee and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to indemnify the Resigning Trustee and its directors and, officers, and its successors in title against any and all liabilities, actions, proceedings, claims, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses and other liabilities of whatsoever nature for and in respect of which the Resigning Trustee may be or become liable as trustee or former trustee of the Trust (the "Liabilities"), PROVIDED THAT the Liabilities of the Successor Trustee under the above indemnity shall not extend to the liabilities that arise from the Resigning Trustee's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Successor Trustee under the above indemnity shall be limited to its right of indemnity against the Trust Property provided under the Trust Deed and shall extend

only to the Liabilities in respect of which the Resigning Trustee would have been entitled to reimbursement out of the property of the Trust had it remained trustee of the Trust on its present terms.

4. The Resigning Trustee is hereby released from all liabilities, undertaking and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings and obligations related to the Trust Property.

5. The provisions of this document shall take effect upon the date on which the last of the undersigned parties executes this document (the "Effective Date"), at which time the Trust Property shall vest in the Successor Trustee. The Resigning Trustee, pursuant to Article III.E. of the Trust Deed, hereby covenants with the Successor Trustee to execute all documents and take such other action as may be reasonably necessary or desirable to transfer the Trust Property to the Successor Trustee as soon as possible after the Effective Date.

6. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

7. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

8. This document shall be governed by and construed in accordance with the laws of the Cook Islands.

RESIGNING TRUSTEE

ASIATRUST LIMITED

By: _____
Print name: _____
Title: _____

Date

SUCCESSOR TRUSTEE

Appointment Accepted

GCSL TRUSTEES LIMITED

By: _____
Print name: _____
Title: _____

Date

ACKNOWLEDGED

PN MANAGEMENT LIMITED,
Protector of The MMSK Trust

By: _____
Print name: _____
Title: _____

_____ Date

Joinder Agreement

WHEREAS, the Trust is a party to that certain Mutual Settlement and Release Agreement by and among Munish Krishan, et al, initially approved by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division Bankruptcy, in Case No. 09-34784-SGJ-11 on June 22, 2010 (the "Settlement Agreement"); and

WHEREAS, in connection with the Settlement Agreement and the subject appointment, the Protector (as defined above) desires for GCSL Trustees Limited to (i) acknowledge receipt of a copy of the Settlement Agreement; and (ii) in its capacity as successor Trustee of the Trust, agree to perform the obligations of the Trust pursuant to the Settlement Agreement;

NOW, THEREFORE, GCSL Trustees Limited hereby: (i) acknowledges receipt of a copy of the Settlement Agreement; and (ii) covenants and agrees, in its capacity as successor Trustee of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

GCSL TRUSTEES LIMITED

By: _____
Print name: _____
Title: _____

_____ Date

EXHIBIT S

Form of Order

Order for Maintenance of Records Produced in Litigation

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC., et al.,

Plaintiffs,

vs.

**JEFFREY BARON and
ONDOVA LIMITED COMPANY,
et. al.,**

Defendants.

§
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CIVIL ACTION NO. 3-09-CV-0988-F

AGREED ORDER RE: MAINTENANCE OF RECORDS PRODUCED IN LITIGATION

In accordance with the Mutual Settlement and Release Agreement (“Settlement Agreement”) entered into on or about July 2, 2010, and submitted in the matter styled *In re Ondova Limited Company d/b/a Compana, LLC*, Bankruptcy Case No. 09-34784-SGJ-11, in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, the parties hereby agree as follows:

Gardere Wynne shall maintain, as confidential information, copies of the imaged computers produced to Special Master Peter Vogel by Equivalent Data and any copies which are currently in Equivalent Data’s possession during the term of the Pokerstar License Agreement, and shall not allow any Party or third party access to such copies of imaged computers, except pursuant to legal process; provided, however that Gardere Wynne shall provide Jeffrey Baron, Ondova and Manila Industries, Inc., with notice with reasonable opportunity to object prior to any such disclosure. Upon the termination or expiration of the license agreement, Gardere Wynne shall destroy all copies of the imaged computers in its possession.

THEREFORE, having considered the agreement of the parties as set forth above, the Court finds it is supported by good consideration and it is hereby APPROVED; and it is further

ORDERED that this Order shall survive the dismissal of this proceeding.

IT IS SO ORDERED.

June _____, 2010.

EXHIBIT 10

ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

Henry H. C. Gomez
United States Bankruptcy Judge

Signed July 28, 2010

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: §
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ
Debtor. § (Chapter 11)
§
§

**ORDER GRANTING TRUSTEE'S motion for approval of settlement AGREEMENT
pursuant to rule 9019, FEDERAL RULES OF BANKRUPTCY PROCEDURE**

At Dallas, Texas in said District, on July 12, 14 and 22, 2010, this Court conducted hearings on the *Trustee's Motion for Approval of Settlement Agreement Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure* [Docket No. 368] (the "Motion")¹, filed on July 2, 2010 by Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 trustee of Ondova Limited Company (the "Debtor" or "Ondova").

During the three hearings conducted with respect to the Motion, this Court considered the evidence presented and record before the Court, including, without limitation, the testimony of the Trustee, Jeffrey Baron, Munish Krishan, an affidavit of Munoj Krishan, all of the exhibits introduced at the hearings and the presentations of counsel. The record before the Court also includes the evidence presented at a hearing on June 22, 2010, when the parties first

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

announced to the Court that a global settlement had been reached and the affidavits of Jeffrey Baron as ordered by this Court on July 22, 2010. Accordingly, this Court finds as follows:

A. This Court has jurisdiction to hear and to determine the Motion and to grant the relief requested therein pursuant to 28 U.S.C. §§ 157(a) and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue of the above-captioned bankruptcy case and of the Motion is proper in this District under 28 U.S.C. §§ 1408 and 1409.

B. Notice of the Motion and the foregoing hearings were appropriate and sufficient under the circumstances and complied with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. No further notice of the Motion is necessary.

C. All parties-in-interest had a reasonable opportunity to object to and be heard regarding the Motion and the Settlement Agreement proposed therein. A limited objection to the Motion was filed on July 12, 2010 by Jeffrey Baron pertaining to only one minor portion of the Settlement Agreement, Section 6(c), however as a result of negotiations between the parties, the limited objection of Mr. Baron was resolved and based on the testimony of Mr. Baron from the hearing held on July 14, 2010, Mr. Baron has fully and completely agreed to the Settlement Agreement as negotiated by the parties. Accordingly, the Limited Objection filed by Mr. Baron is overruled.

D. This Court considered the Motion and the Settlement Agreement in the context of the applicable legal standards and requirements for approval of a settlement under Bankruptcy Rule 9019. Specifically, this Court applied the standards established by *United States v. Aweco, Inc. (In re Aweco, Inc.)*, 725 F.2d 293, 299 (5th Cir. 1984), *cert. denied* 469 U.S. 880 (1984), *Protective Comm. For Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414 (1966); *In re Jackson Brewing Co.*, 624 F.2d 599, 602 (5th Cir. 1980).

E. The record before this Court and this Court's own analysis indicate that the

settlement reached by the parties is fair and equitable and should be approved. The Court notes that the litigation and disputes being resolved by the Settlement, including those causes of action that the Trustee could bring on behalf of the Debtor's bankruptcy estate ("Estate"), are novel and complex. The Court notes that many lawsuits are being settled and further believes the Settlement Agreement should be approved in light of the risks and rewards of the complex litigation being settled and the probability of very prolific and protracted litigation in the absence of a settlement. The Settlement Agreement has been extensively negotiated, at arm's length and in good faith, by all the settling parties.

F. The Court finds that the Settlement Agreement is in the best interests of the Estate and an exercise of the Trustee's sound business judgment. The resolutions of the disputes among, and litigation between, the settling parties embodied in the Settlement Agreement are reasonable and appropriate under the circumstances. The consideration to be exchanged between the settling parties in accordance with the terms of the Settlement Agreement, including the releases and security interests contemplated under the Settlement Agreement, are fair, reasonable, and adequate under the circumstances.

G. Mr. Baron requested certain findings as part of the Settlement Agreement, which were proffered into the record during the hearing as follows:

- (i) That in December 2005 Jeffrey Baron, directly or indirectly through entities owned or controlled by Jeffrey Baron, intended to transfer any domain name he or they owned to the Village Trust and such intention to transfer was not conditional on whether or not the USVI deal was consummated;
- (ii) That Jeffrey Baron has not been the moving force behind monetization of the domain names in the "Odd Group Portfolio" since at least July 17, 2009;
- (iii) That Jeffrey Baron has not been the moving force behind monetization of the domain names in the Blue Horizon Portfolio since at least April 25, 2009; and
- (iv) That neither Jeffrey Baron nor Ondova Limited Company have been listed as the registrant of record for, or been the licensee of the listed registrant of record for, or holder of record title to or in, the domain names in the Odd

Group Portfolio.

No parties objected to the proffer and therefore the Court so finds.

H. At the hearing conducted on July 22, 2010, Mr. Baron did not attend due to a medical emergency whereby Mr. Baron checked himself in to Plano Presbyterian Hospital. Mr. Baron's presence was necessary due to the fact that there were two significant matters which needed his testimony and/or a proffer of his testimony. Mr. Baron's medical emergency and absence were not reported to the Court or the Trustee prior to the 2:30 p.m. hearing. Upon the Court's suggestion, the parties have agreed to facilitate the approval of the Settlement Agreement through two mechanisms set forth in this Order, however the Court requires a verified affidavit from Mr. Baron describing the medical emergency which kept him from the July 22nd hearing with sufficient supporting documentation (as determined by the Court) from Plano Presbyterian Hospital or the doctor who treated him. This affidavit must be filed under seal by Tuesday, July 27, 2010 at 5:00 p.m. central time and also be served on counsel for the Trustee and the Netsphere Parties. This Court has entered a sua sponte seal order with respect to this affidavit.

I. Because Mr. Baron did not attend the hearing on July 22, 2010, he was not able to be present for a proffer related to a resolution reached between Baron and the Netsphere Parties related to the Belton Trust. In order to facilitate approval of the Settlement Agreement, this Court ordered Mr. Baron to submit a verified affidavit as a proffer of his testimony for the additional findings by this Court. Mr. Baron was ordered to file the affidavit, as prepared by counsel for the Netsphere Parties, no later than 5 p.m. central time on Tuesday, July 27, 2010, setting forth his agreement to the resolution reached and providing the testimony for the additional findings read into the record at the July 22nd hearing. Based upon the verified affidavit filed by Mr. Baron stating the following, this Court further finds:

- (1) That Jeffrey Baron is the trustee of the Belton Trust;

(2) That all beneficiaries of the Belton Trust are signing the Settlement Agreement and desire that the Belton Trust be bound by this Settlement Agreement;

(3) That the only asset in which the Belton Trust has any interest of any kind is Domain Jamboree, LLC;

(4) That the only assets in which Domain Jamboree, LLC has any interest of any kind is the domain name domainjamboree.com and its accreditation agreement with ICANN and registry agreement with Verisign, Inc; and

(5) That Jay Kline is the current Manager of Domain Jamboree, LLC and is authorized to sign this Settlement Agreement on behalf of Domain Jamboree, LLC.

J. In order to resolve an outstanding issue regarding the price to be paid by Quantec, LLC and Novo Point, LLC for the renewal of the domain names pursuant to Section 6(c) of the Settlement Agreement which requires the parties to enter into a New Domain Name Registration Agreement, the parties have agreed to allow this Court to determine the price to be paid per domain name pursuant to a motion to be filed by the Trustee and the parties shall be bound by such determination. The Trustee, Quantec, LLC, and Novo Point, LLC have previously agreed to a price of \$8.94 per domain name however that price was not agreed to by Baron. The parties agree to be bound by the price determined by the Court pursuant to a separate motion to be filed by the Trustee and agree to execute the Settlement Agreement by the deadlines set forth in this Order.

NOW, THEREFORE, IT IS HEREBY:

ORDERED that the Motion is GRANTED; it is further

ORDERED that the findings of fact and conclusions of law stated herein shall constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this matter through Bankruptcy Rule 9014. To the extent that any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any

conclusion of law shall be determined to be a finding of fact, it shall be so deemed. It is further,

ORDERED that the Settlement Agreement, including all related agreements, releases, and other actions contemplated therein, are APPROVED. It is further

ORDERED that all parties are directed to execute the Settlement Agreement no later than 5 p.m. central time Wednesday, July 28, 2010, except for Denis Kleinfeld, Jeannie Hudson and their related entities, who must execute this Settlement Agreement no later than by 5 p.m. central time on July 30, 2010. It is further,

ORDERED that Jay Kline shall sign the Settlement Agreement as manager of Domain Jamboree, LLC, however if the parties are unable to locate Mr. Kline, Jeffrey Baron is ordered to sign on behalf of Domain Jamboree, LLC, as the trustee of the Belton Trust which is the sole Member / owner of Domain Jamboree, LLC. Either Mr. Baron or Mr. Kline must execute the Settlement Agreement on behalf of Domain Jamboree, LLC no later than 5 p.m. central time on July 30, 2010. It is further,

ORDERED that the Trustee will file the motion for this Court to determine the price for domain name renewals for the New Domain Name Registration Agreement no later than July 30, 2010. It is further,

ORDERED that the Trustee and all the settling parties are directed to execute the Settlement Agreement by the dates set forth herein and are authorized to take any and all action required to implement the Settlement Agreement, including to make all payments required thereunder and to fulfill all of their respective obligations contemplated under the Settlement Agreement. It is further

ORDERED that this Court shall retain jurisdiction to hear and resolve all matters regarding the Motion, all disputes as provided for in the Settlement Agreement and for the

ORDER GRANTING TRUSTEE'S motion for approval of settlement AGREEMENT pursuant to rule 9019, FEDERAL RULES OF BANKRUPTCY PROCEDURE – Page 6

enforcement and implementation of this Order in connection with such disputes.

END OF ORDER

Submitted by:

Raymond J. Urbanik
Texas Bar No. 20414050
Lee Pannier
Texas Bar No. 24066705
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*ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE*

**ORDER GRANTING TRUSTEE'S motion for approval of settlement AGREEMENT pursuant to rule 9019,
FEDERAL RULES OF BANKRUPTCY PROCEDURE – Page 8**

EXHIBIT 11

MUTUAL SETTLEMENT AND RELEASE AGREEMENT

THIS MUTUAL SETTLEMENT AND RELEASE AGREEMENT ("Agreement"), effective as of the Settlement Date (as defined below), is entered into on July 2, 2010 by and among the following persons and entities:

1. Munish Krishan ("Krishan"), individually and on behalf of all beneficiaries of the MMSK Trust, a trust organized and established under the laws of the Cook Islands (the "MMSK Trust"), Seema Krishan, individually, Mahnik Krishan, individually, Amani Krishan, individually, Manila Industries, Inc., a California corporation ("Manila"), and Netsphere, Inc., a Michigan corporation ("Netsphere") (hereinafter collectively referred to as the "Manila Parties");
2. Jeffrey Baron, individually and as a beneficiary of and on behalf of all beneficiaries of: (i) the Village Trust, a trust organized and established under the laws of the Cook Islands (the "Village Trust"); (ii) Equity Trust Company IRA 19471; (iii) the Daystar Trust (sole member of Ondova); and (iv) the Belton Trust (sole member of Domain Jamboree, LLC); Jeffrey Baron as Trustee of the Daystar Trust, a trust organized and established under the laws of Texas; and Jeffrey Baron, as Trustee of the Belton Trust, a trust organized and established under the laws of Texas (hereinafter collectively referred to as "Baron");
3. Biju Mathew, Amir Asad, Rohit Krishan, Manish Aggarwal, and Amer Zaveri (hereinafter jointly referred to as the "Manila Related Parties");
4. Ondova Limited Company d/b/a Compana, LLC, a Texas limited liability company ("Ondova" or "Debtor"), debtor in Bankruptcy Case No. 09-34784-SGJ-11 (the "Bankruptcy Case") pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court");
5. Daniel J. (Corky) Sherman, Chapter 11 Bankruptcy Trustee of Ondova ("Sherman" or the "Chapter 11 Trustee");
6. HCB, LLC, a Delaware limited liability company, and HCB, LLC, a USVI limited liability company (individually or collectively, "HCB"), Realty Investment Management, LLC, a Delaware limited liability company, Realty Investment Management, LLC, a USVI limited liability company (individually or collectively, "RIM"), Simple Solutions, LLC, a USVI limited liability company ("Simple Solutions"), Search Guide, LLC, a USVI limited liability company ("Search Guide") and Blue Horizon Limited Liability Company, a USVI limited liability company ("Blue Horizon") (hereinafter jointly referred to as the "USVI LLCs");
7. Four Points Management, LLLP, a USVI limited liability limited partnership and sole member of each of the USVI LLCs ("Four Points");
8. Marshden, LLC, a USVI limited liability company and general partner of Four Points ("Marshden");
9. Novo Point, Inc., a USVI corporation ("Novo Point"), Iguana Consulting, Inc., a USVI corporation ("Iguana Consulting"), and Quantec, Inc., a USVI corporation ("Quantec") (hereinafter collectively referred to as the "USVI corporations") (USVI LLCs, Four

Points, Marshden, and USVI corporations hereinafter collectively referred to as the "USVI Entities");

10. Jeanne Hudson ("Hudson"), Denis Kleinfeld ("Kleinfeld"), individually and on behalf of all officers, directors, managers, members and employees of each of the USVI Entities (hereinafter collectively referred to as the "USVI Officers") (USVI Entities and USVI Officers, inclusive of Hudson, are hereinafter collectively referred to as the "USVI Parties");
11. Charla Aldous ("Aldous"), Jeff Rasansky ("Rasansky"), and Ron Sheridan ("Sheridan") (hereinafter collectively referred to as the "Interested Parties");
12. Shiloh, LLC, a Delaware limited liability company ("Shiloh"), the member of which is Quantec LLC and the manager of which is Novquant LLC;
13. Manassas, LLC, a Texas limited liability company ("Manassas");
14. Byron Dean, sole member of Manassas ("Dean");
15. Bud Branstetter, manager of Manassas ("Branstetter");
16. Javelina, LLC, a Delaware limited liability company ("Javelina"), the member of which is Novo Point LLC and the manager of which is Novquant LLC;
17. Diamond Key, LLC, a Texas limited liability company ("Diamond Key");
18. Nina deVassal, sole member and manager of Diamond Key ("deVassal");
19. The Village Trust and Asiatrust Limited as Trustee of the Village Trust, a trust organized and established under the laws of the Cook Islands (hereinafter collectively referred to as the "Trustee of the Village Trust");
20. The MMSK Trust and Asiatrust Limited as Trustee of the MMSK Trust, a trust organized and established under the laws of the Cook Islands (hereinafter collectively referred to as the "Trustee of the MMSK Trust");
21. Iguana Consulting LLC, a Cook Islands limited liability company, Novo Point LLC, a Cook Islands limited liability company, and Quantec LLC, a Cook Islands limited liability company (hereinafter collectively referred to as the "Trust LLCs") (Shiloh, Manassas, Javelina, Diamond Key, the Trust LLCs, Dean, Branstetter, deVassal, Trustee of the Village Trust, and Asiatrust Limited are hereinafter collectively referred to as the "Trusts");
22. Equity Trust Company, a South Dakota trust company, as Custodian of IRA 19471 and as successor in interest of Mid Ohio Securities as Custodian of IRA 19471 ("Equity Trust");
23. Manoj Krishan, individually;
24. CallingCards.com, LLC, a Texas limited liability company ("CC.com");

25. Domain Jamboree, LLC, a Wyoming limited liability company (“DJ”) and the Belton Trust as the sole member of DJ (hereinafter collectively referred to as “Domain Jamboree Parties”); and
26. ID Genesis, LLC, a Utah limited liability company (“ID”) and Netsphere, Inc. as the sole member of ID (hereinafter collectively referred to as “ID Genesis Parties”).

The aforementioned parties may also sometimes be collectively referred to in this Agreement as the “Parties” and each, individually as a “Party”.

**I
RECITALS:**

WHEREAS, on November 14, 2006, Baron and Ondova filed a civil cause in the District Court, Dallas County, Texas, 68th Judicial District, styled, *Ondova Limited Company, et al., vs. Manila Industries, Inc.*, Cause No. 06-11717, in which Baron and Ondova alleged claims more fully described in Plaintiffs’ Petition and First through Sixth Amended Petitions (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Baron Claims” and/or “Texas Case”); and

WHEREAS, on November 15, 2006, Manila, Netsphere and Krishan filed a civil cause against Ondova, RIM, HCB and Baron in the United States District Court for the Central District of California, Southern Division, styled *Manila Industries, Inc, Netsphere, Inc., and Munish Krishan vs. Ondova, Limited Co., d/b/a Compana, LLC*; Realty Investment Management, LLC, HCB, LLC; and Jeffrey Baron, Case No. SACV 06-1105 AG (ANx) (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Manila Claims” and/or “California Case”); and

WHEREAS, on September 27, 2007, Simple Solutions filed a civil cause against Ondova in the District Court of the Virgin Islands, Division of St. Thomas & St. John, styled *Simple Solutions, LLC vs. Ondova Limited Co, LLC d/b/a Compana, LLC*, No. 3:07-CV-123 (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Simple Solutions Claims” and/or “VI Case”); and

WHEREAS, on May 28, 2009, Krishan, Manila and Netsphere filed a civil cause against Ondova and Baron in the United States District Court for the Northern District of Texas, Dallas Division, in which Aldous and Rasansky have intervened and the Trust LLCs have requested leave to intervene, styled, *Netsphere, Inc., et al. vs. Jeffrey Baron, et al.*, Case No. 3:09-CV-0988-F (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Dallas Federal Case”); and

WHEREAS, on July 27, 2009 Ondova filed for Chapter 11 protection under the Bankruptcy Code (as defined below) in the Bankruptcy Court (the “Petition Date”). Sherman was appointed Chapter 11 Trustee on September 17, 2009; and

WHEREAS, on February 12, 2007, HCB and Simple Solutions filed a civil cause against Oversee.net in the District Court of the Virgin Islands, Division of St. Thomas-St. John, styled *HCB, LC and Simple Solutions, LLC, v. Oversee.net*, Case No. 3:07-CV-00029-CVG (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “USVI Oversee Lawsuit”); and

EXECUTION VERSION

WHEREAS, on November 6, 2009 Oversee.net filed a claim for breach of contract and fraud against Simple Solutions, LLC, a USVI limited liability company, HCB, LLC, a Delaware Limited Liability Company and Does 1 to 10 in the United States District of California, Case No. CV09-08154-OOW (RZx) ("Cal. Oversee Suit"); and

WHEREAS, on November 12, 2009, Manila and Netsphere filed a civil cause against Oversee.net and Doe 1 through Doe 10 in the Superior Court of the State of California, styled *Manila Industries, Inc. a California corporation; Netsphere, Inc., a Michigan corporation vs. Oversee.net, a California corporation; and DOE 1 through DOE 10, inclusive*, Case No. BC425821 (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the "Manila Oversee Lawsuit"); and

WHEREAS, on November 2, 2008, Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron as Beneficiary of Equity Trust Company FBO IRA 19471 filed a civil case in the 68th Judicial District, Dallas County, Texas, against Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan, styled *Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron As Beneficiary of Equity Trust Company FBO IRA 19471 vs. Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan*, Cause No. DC08-13925-C (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the "Phonecards.com Case") (the Texas Case, California Case, VI Case, Dallas Federal Case and Phonecards.com Case are collectively referred to herein as the "Underlying Cases"); and

WHEREAS, all Parties generally and/or specifically have denied the allegations made against them and asserted various defenses and other matters as described more fully in their responsive pleadings, all of which are incorporated by reference for all purposes into this Agreement; and

WHEREAS, the Parties to this Agreement desire to avoid the necessity, expense, inconvenience and uncertainty of further litigation and fully and finally resolve all matters by and among them and all known and unknown claims, counterclaims and cross-claims that have, or could have been, plead in the past by any of the Parties hereto, arising out of, or in any way related to, the cases, lawsuits and disputes among them; and

WHEREAS, it is the desire of the Parties to separate any and all business by, between and among themselves;

NOW, THEREFORE, for and in consideration of the above recitals, which recitals are contractual in nature, the mutual promises, mutual general releases and agreements herein contained, and for other good and valuable consideration, the receipt of which are hereby acknowledged, the Parties hereto do hereby covenant, agree and contract as follows:

II
AGREEMENTS:

1. **Payment of Cash.** In consideration of the provisions of this Agreement, including, without limitation, the Recitals and general releases, at the direction of the Village Trust, Manila will deliver One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) by wire transfer to the Chapter 11 Trustee (the "Cash Payment"), which delivery shall be made on behalf of the Village Trust in accordance with the wire instructions provided by Raymond J. Urbanik to John MacPete by email dated June 7, 2010, as may be updated with written notice from the Chapter 11 Trustee to Netsphere at least thirty (30) days prior to any date on which payment is due (the "Cash Payment Instructions"), on the later of: (i) the date which is thirty (30) days after the Settlement Date or ninety (90) days after a 9019 motion is filed with the Bankruptcy Court to approve this Agreement (such applicable date, the "Transfer Date"). The Chapter 11 Trustee will use the Cash Payment and the Deferred Payment (as defined below) to pay creditors, administrative costs and any and all other expenses associated with Ondova's bankruptcy estate (the "Estate").

2. **Deferred Payment and Unsecured Claim.**
 - A. Manila hereby promises to pay the Village Trust the sum of Six Hundred Thousand Dollars (\$600,000) ("Deferred Payment"), together with simple interest thereon calculated as provided in this subsection A. The following provisions are applicable to the Deferred Payment:
 - (i) The Deferred Payment and interest thereon is due and payable in full on or before the second anniversary of the Transfer Date (such date, the "Maturity Date").
 - (ii) Noncompounding simple interest shall accrue at the rate of ten percent (10%) per annum (computed on the basis of a three hundred sixty-five (365) day year and the actual number of days elapsed in a year) on the unpaid principal amount of the Deferred Payment outstanding from time to time, or (if less) the highest rate then permitted under Texas law. Any accrued interest which for any reason has not theretofore been paid shall be paid in full on the Maturity Date.
 - (iii) Manila may, at any time and from time to time without premium or penalty, prepay all or a portion (in whole number multiples of \$1,000 only) of the outstanding principal amount (and any accrued and unpaid interest thereon) of the Deferred Payment.
 - (iv) Payments made by Manila shall be applied (a) first, to the payment of all accrued and unpaid interest, (b) second, to the payment of principal of the Deferred Payment), and (c) the balance, if any, to Manila.
 - (v) Interest payable on the outstanding principal balance of the Deferred Payment starts as of the first day of the fourth (4th) full calendar month after the Transfer Date (the "Payment Commencement Date") and shall be paid on a quarterly basis, commencing on the Payment Commencement Date (and the first quarterly payment will be for the period between the Transfer Date and the day immediately preceding the Payment Commencement Date), and continuing on the first day of each quarter thereafter until the Maturity Date, at which time all outstanding principal and interest shall be due and payable in full.

- (vi) Manila's obligations to pay the Deferred Payment to the Village Trust shall be secured by a pledge of the domain name *FreeSex.com* pursuant to the Security Agreement (as defined below).
 - (vii) All payments to be made pursuant to the provisions of this Section 2 by Manila to the Village Trust shall be made in the lawful money of the United States of America in immediately available U.S. funds by wire transfer in accordance with the wire instructions provided by Craig Capua to John MacPete by email dated June 7, 2010, and as may be updated with written notice from the Village Trust to Manila at least thirty (30) days prior to any date on which payment is due. Furthermore, the Village Trust may direct Manila to pay Equity Trust, which payments shall be made on behalf of the Village Trust, pursuant to an agreement between Equity Trust and the Village Trust; provided, the Village Trust must provide Manila at least thirty (30) days prior written notice of the wiring instructions for such payment to Equity Trust.
- B. On the Transfer Date, Manila will execute and deliver to the Village Trust a security agreement (the "Security Agreement") in the exact form attached hereto as Exhibit A.
- C. The Chapter 11 Trustee hereby grants Aldous and Rasansky (hereinafter collectively referred to as the "Rasansky Parties") a general unsecured claim in the amount of Two Hundred Thousand Dollars (\$200,000) against the Estate. In the event the Rasansky unsecured claim is not paid in full by the Estate, within thirty (30) days of a written request from the Rasansky Parties, Jeffrey Baron agrees to pay the Rasansky Parties an amount equal to the difference between Two Hundred Thousand Dollars (\$200,000) and the actual amount paid on the unsecured claim by the Estate (and, if requested by Jeffrey Baron, the Village Trust agrees to make a distribution to Jeffrey Baron for such purpose).

3. Split of Disputed Domain Names.

- A. Each of the Manila Parties represent and warrant to Baron, the Trusts, the Chapter 11 Trustee and Ondova that the Even Group Portfolio of domain names (as defined in Paragraph 3 of the June 26, 2009, Preliminary Injunction in the Dallas Federal Case [Preliminary Injunction]) and the domain names in the Restore List (as defined in Paragraph 5(e) of the Preliminary Injunction) collectively represent the accurate list of domain names referred to herein as the "Even Group Portfolio."
- B. Each of Baron, the Trusts, the Chapter 11 Trustee and Ondova represent and warrant to the Manila Parties that the Odd Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Allocated Names List (as defined in Paragraph 5(d) of the Preliminary Injunction) that have not expired, been deleted, or been transferred to an unrelated third party by the Manila Parties, as of the Transfer Date (the "Remaining Allocated Names") collectively represent the accurate list of domain names referred to herein as the "Odd Group Portfolio".
- C. As of the Settlement Date, each of the Manila Parties (except for Manila), the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Even Group Portfolio Quitclaiming Parties") quitclaim any interest in the Even Group Portfolio to Manila, and make an express quitclaim to Manila and disavow all rights of every kind, nature and description, if any, they may have, or ever

had, in and to all rights related to the Even Group Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after the Settlement Date from the domain names and related rights in the Even Group Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Even Group Portfolio are irrevocable.

- D. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Quantec LLC), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the “Odd Group Portfolio Quitclaiming Parties”) quitclaim any interest in the Odd Group Portfolio to Quantec LLC, and make an express quitclaim to Quantec LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the Odd Group Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after the Settlement Date from domain names and related rights in the Odd Group Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Odd Group Portfolio are irrevocable. Further, on or before the Transfer Date, Manila shall (i) provide a list of Remaining Allocated Names to the Village Trust and Jeffrey Baron through their attorneys, Craig Capua at craig.c@WestLLP.com and Gerrit Pronske at gpronske@pronskepatel.com, (ii) e-mail Gay Nee (gaynee@webnic.cc) with the list of Remaining Allocated Names, and (iii) request Gay Nee to update the Whois information for the Remaining Allocated Names with the following contact information:

Whois Identity Shield

Post Office Box 152

Britton’s Hill

St. Michael, Barbados

Phone: (604) 484-4206

E-mail:

8cGRuPjmxwuKTbEIXkcvOzHx+nKvp1NduvKTpOpDGTDCITozwGM=@2010.identityshield.com

The Manila Parties are not required to incur any out-of-pocket expenses in connection with any transfer of the Remaining Allocated Names to Quantec LLC.

Fifteen (15) days after the Transfer Date shall be referred to as the “Transfer Implementation Period.” Quantec LLC will pay funds sufficient to the registrar for the purposes of transferring and renewing the Remaining Allocated Names. Ondova, or other registrar appointed by Quantec LLC, agrees to insure that the Remaining Allocated Names will be transferred to the registrar during the Transfer Implementation Period and implement such transfer.

- E. From and after the Settlement Date, the Estate shall continue to own the domain name *servers.com*, which domain name shall, if necessary, be liquidated, pursuant to Section 363(b) of the Bankruptcy Code (as defined below) or pursuant to a plan, to fund costs of administration of the Bankruptcy Case and amounts needed with respect to a plan of reorganization or liquidation, if feasible, with respect to Ondova (the “Ondova Plan”). Additionally, it is expressly understood and agreed by the Parties that at no time prior to the Settlement Date does the Chapter 11 Trustee waive any claim of ownership or

otherwise to other domain names in the Odd Group Portfolio, the Blue Horizon Portfolio and the Excluded Disputed Domains (as defined below). As used herein, "Excluded Disputed Domains" means the list of twelve (12) domain names identified in an e-mail from Raymond J. Urbanik to Gerrit Pronske on June 2, 2010.

4. **Blue Horizon Names.** As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Novo Point LLC), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Blue Horizon Quitclaiming Parties") quitclaim any interest in any and all domain names that previously were registered through Ondova, exclusive of the Even Group Portfolio, the Odd Group Portfolio and any domain name not registered through or at Ondova as of February 22, 2010, and exclusive of *pokerstar.com* (which is addressed in Section 6 below), *servers.com* and the Excluded Disputed Domains (the "Blue Horizon Portfolio"), to Novo Point LLC and make an express quitclaim to Novo Point LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the Blue Horizon Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any and all income that may be derived from and after the Settlement Date from domain names and related rights in the Blue Horizon Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Blue Horizon Portfolio are irrevocable.
5. **Searchguide.com.** As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Novo Point LLC), the Chapter 11 Trustee and Ondova (the "SearchGuide.com Quitclaiming Parties") quitclaim any interest in the domain name *searchguide.com* to Novo Point LLC and make an express quitclaim to Novo Point LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the domain name *searchguide.com*, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from *searchguide.com* from and after the Settlement Date; provided, such quitclaim is strictly limited to the domain name itself and excludes: (i) any website that appeared on *searchguide.com*, (ii) any software associated with *searchguide.com*, and (iii) any other content or intellectual property related to *searchguide.com* (collectively "Searchguide Software"). All rights granted, if any, and the related abandonment of claims and interests in the domain name *searchguide.com* are irrevocable.
6. **Pokerstar.com.**
 - A. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for the Village Trust), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Pokerstar.com Quitclaiming Parties") quitclaim any interest in the domain name *pokerstar.com* to the Village Trust, and make an express quitclaim to the Village Trust and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the domain name *pokerstar.com*, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from *pokerstar.com* from and after the Settlement Date, provided, such quitclaim is strictly limited to the domain name itself and excludes: (i) any website that appeared on *pokerstar.com* developed in whole or in part by the Manila Parties or the Manila Related Parties; (ii) any software associated with *pokerstar.com* developed in whole or in part by

the Manila Parties or the Manila Related Parties; and (iii) any other content or intellectual property related to *pokerstar.com* developed in whole or in part by the Manila Parties or the Manila Related Parties (collectively "Pokerstar Software"). All rights granted, if any, and the related abandonment of claims and interests in the domain name *pokerstar.com* are irrevocable.

- B. As consideration for, and contemporaneously with execution of this Agreement, Manila and the Village Trust shall enter into a license agreement for *pokerstar.com* (the "License Agreement") in the exact form attached as Exhibit B. Within five (5) business days after the Settlement Date, Netsphere shall remit in escrow to the Chapter 11 Trustee fifty percent (50%) of the gross revenue actually received by Netsphere for operation of *pokerstar.com* ("Old Pokerstar Revenue") during the period commencing April 1, 2009, and ending June 30, 2010, such remittance to be made by wire transfer in accordance with the Cash Payment Instructions. Commencing on the date which is thirty (30) days after the Settlement Date, and continuing on the same day of each month thereafter until the Transfer Date, Netsphere shall remit in escrow to the Chapter 11 Trustee fifty percent (50%) of the gross revenue actually received by Netsphere for operation of the *pokerstar.com* website (the "Additional Pokerstar Revenue" and, together with the Old Pokerstar Revenue, the "Combined Pokerstar Revenue"), such remittance to be made by wire transfer in accordance with the Cash Payment Instructions (with the first such payment covering the period July 1, 2010, through the Transfer Date). The Chapter 11 Trustee agrees to hold the Combined Pokerstar Revenue in escrow until the earlier of, as applicable: (i) the date of the Settlement Date, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to the Village Trust in accordance with the wire instructions provided by Craig Capua to Raymond J. Urbanik by email dated June 7, 2010, as may be updated with written notice from the Village Trust to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (ii) the date the Bankruptcy Court fails to approve the Final Settlement Order, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to Netsphere within three (3) days of such disapproval in accordance with the wire instructions provided by Ravi Puri to Raymond J. Urbanik by email dated June 7, 2010, as may be updated with written notice from Netsphere to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (the "Pokerstar Payment Instructions") or (iii) the fourth (4th) day after the date the Chapter 11 Trustee receives written notice from Netsphere that any of the Parties failed to perform any of the material provisions of this Agreement, identified with specificity, in the event such failure is not cured within three (3) days after the date of such notice, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to Netsphere in accordance with the Pokerstar Payment Instructions. Notwithstanding the foregoing, such return of the Combined Pokerstar Revenue shall not operate to recharacterize the legal ownership of the funds nor be a waiver by any Party of any claim to such funds.
- C. The Village Trust hereby agrees to pay the Chapter 11 Trustee Four Hundred Fifty Thousand Dollars (\$450,000) (the "Additional Payment"). The Additional Payment shall be paid to the Chapter 11 Trustee by the Village Trust in the following manner: (i) One Hundred Twenty-Five Thousand Dollars (\$125,000) (the "Lump Sum Payment") shall be paid to the Chapter 11 Trustee within ten (10) business days after the Settlement Date (the "Additional Lump Sum Payment Due Date") in accordance with the wire instructions provided by Raymond J. Urbanik to Craig Capua by email dated June 7, 2010, as may be updated with written notice from the Village Trust to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (the "Lump Sum Payment")

Instructions"); (ii) One Hundred Thousand Dollars (\$100,000) (together with the Monthly Installments defined below, the "Monthly Payments") shall be paid to the Chapter 11 Trustee promptly after execution of this Agreement, such funds to be used by the Chapter 11 Trustee to pay outstanding invoices due VeriSign by the Estate; and (iii) thirty (30) days after the Additional Lump Sum Payment Due Date (and continuing on the same day of each month thereafter until the Additional Payment has been paid in full) (each a "Monthly Installment"), Fifty Thousand Dollars (\$50,000) shall be paid to the Chapter 11 Trustee as follows: (a) up to Eighteen Thousand Dollars (\$18,000) per month paid by Netsphere directly to the Chapter 11 Trustee from the revenue of Pokerstar if sufficient funds are available from fifty (50%) of the revenue owed to the Village Trust as generated by *pokerstar.com* during the particular month the payment is due; and (b) Thirty-Two Thousand Dollars (\$32,000) per month from the Trusts directly to the Chapter 11 Trustee from domain name monetization of the Blue Horizon Portfolio and the Odd Group Portfolio (collectively, the "Portfolios") for a total of three months (plus \$12,000 for the fourth month). With respect to the Monthly Installments being paid by the Trusts from the domain name monetization of the Portfolios, each Monthly Installment shall be considered an advance made to the Trustee for payment of administrative costs of the Estate and payment of creditor claims. In the event there are surplus funds from such advances available in the Estate after the payment of administrative costs and an eighty percent (80%) distribution to general unsecured creditors of Ondova pursuant to a Plan of Reorganization, the Chapter 11 Trustee shall return to the Trusts an amount equal to the surplusage. In no other instance shall the Chapter 11 Trustee have any obligation to return any of such advances. To secure the obligation of the Village Trust to the Chapter 11 Trustee with respect to the Additional Payment, on the Settlement Date, (x) the Village Trust shall:

- (i) grant the Chapter 11 Trustee a first lien security interest in the domain name *pokerstar.com*, which is subordinate to the License Agreement attached as Exhibit B and which security interest shall be evidenced by a security agreement (the "Pokerstar Security Agreement") in the exact form attached hereto as Exhibit C; (y) the Village Trust and the Chapter 11 Trustee will each execute three (3) partially executed originals of an escrow agreement in the exact form attached hereto as Exhibit D (the "Pokerstar Escrow Agreement"), which escrow agreement shall name and be delivered to Gracy Title Company, 100 Congress Avenue, Suite 100, Austin, Texas 78701 (Attn: Elizabeth Young) as "Escrow Agent" for the purposes of holding and dealing with the assignment of the domain name *pokerstar.com*; and (b) in connection with the Pokerstar Escrow Agreement, the Village Trust shall execute and deliver an original of an assignment (the "Pokerstar Assignment"), which shall be in the exact form attached hereto as Exhibit E;
- (ii) execute and deliver to the Chapter 11 Trustee prior to the Settlement Date a new domain registration agreement with Ondova for each of the Portfolios (each a "New Domain Name Registration Agreement") which, until the three payments of Thirty-Two Thousand Dollars (\$32,000) and one payment of Eighteen Thousand Dollars (\$18,000) have been made, (v) is non-cancelable without the prior written consent of the Chapter 11 Trustee (which consent may be withheld, conditioned or delayed in the sole discretion of the Chapter 11 Trustee), (w) confirms the Revenue Lien (as defined below), (x) confirms the Chapter 11 Trustee's right upon an Uncured Event of Default (as defined below) to receive the revenue generated from monetization of the domain names in the Blue Horizon Portfolio,

- (y) confirms the Chapter 11 Trustee's right upon an Uncured Event of Default to file the Agreed Order, and (z) provides that, except for the Disposed Names (as defined below) and Released Names (as defined below), none of the names in the Blue Horizon Portfolio shall be transferred, canceled or otherwise disposed of without the prior written consent of the Chapter 11 Trustee (which consent may be withheld, conditioned or delayed in the sole discretion of the Chapter 11 Trustee); and
- (iii) grant the Chapter 11 Trustee a first lien security interest in the revenues generated from monetization of the domain names in the Blue Horizon Portfolio (the "Revenue Lien"), which lien and security interest shall be evidenced by a security agreement (the "Blue Horizon Security Agreement") in the exact form attached hereto as Exhibit F.

In addition to the above, (i) the Trusts, Baron and each Party hereto which in any way has control or ownership in the Blue Horizon Portfolio agree to execute an Agreed Order in the form attached hereto as Exhibit G providing that, upon an uncured payment default with respect to the Additional Payment, it directs each business used to monetize the domain names in the Blue Horizon Portfolio to pay all monetization revenue earned thereon directly to the Chapter 11 Trustee; and (ii) (in the event of default) the Trusts agree to provide monthly reports to the Trustee which state the name of the registrar and monetization company for the names in the Blue Horizon Portfolio, and the failure to do, or the report of an unauthorized registrar or monetization company, shall constitute a material default in payment of the Additional Payment.

The Village Trust further agrees that, from and after the Settlement Date, the domain name *pokerstar.com* will not be transferred, re-registered or otherwise conveyed without the prior written consent of the Chapter 11 Trustee and, in such regard, the Trustee of the Village Trust agrees to reasonably cooperate with the registrar of such name and counsel for the Chapter 11 Trustee to insure compliance with such agreement.

As used above, (i) "Uncured Event of Default" means a breach of any covenant or agreement by Village Trust pursuant to this Section 6 or a New Domain Name Registration Agreement which is not cured within fifteen (15) days of the date of the Chapter 11 Trustee's notice thereof; (ii) "Default Notice" means a written notice delivered by the Chapter 11 Trustee which states that an Uncured Event of Default exists and directs payment of the revenue from the Blue Horizon Portfolio to be made to the Chapter 11 Trustee; (iii) "Disposed Names" means names in the Blue Horizon Portfolio which are reasonably determined by the Village Trust, and agreed in writing by the Chapter 11 Trustee, to be of nominal value and/or, based on intellectual property claims or potential intellectual property claims, to present significant or potentially significant liability to the owner thereof and, therefore, allowed to lapse; and (iv) "Released Names" means specific names in the Blue Horizon Portfolio which are released in writing by the Chapter 11 Trustee following written request of the Village Trust; provided, releases shall not be made if there exists an Uncured Event of Default, each release request shall be signed by the Village Trust and specify the name(s) requested to be released, and at no time shall the remaining value of the names in the Blue Horizon Portfolio be less than an amount equal to one hundred fifty percent (150%) multiplied by a sum equal to the then-outstanding unpaid Lump Sum Payment Monthly Installments. In the event that the Trustee does not object to the release of the names upon 3 business days written notice such release shall be deemed to have been approved.

7. **Domainjamboree.com and IDGenesis.com.**

- A. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron (except for the Belton Trust), the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee and Ondova (the "Domain Jamboree Quitclaiming Parties") quitclaim any interest to the domain name *domainjamboree.com* and the ICANN Accredited registrar, Domain Jamboree, LLC (collectively "Domain Jamboree") to the Belton Trust and make an express quitclaim to the Belton Trust and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to Domain Jamboree, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from Domain Jamboree from and after the Settlement Date; provided, such excludes: (i) any website that appeared on *domainjamboree.com*, (ii) any software associated with *domainjamboree.com*, and (iii) any other content or intellectual property related to Domain Jamboree, (collectively "Domain Jamboree Software"). All rights granted, if any, and the related abandonment of claims and interests in Domain Jamboree are irrevocable.
- B. As of the Settlement Date, each of the Manila Parties (except for Netsphere), the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee and Ondova (the "ID Genesis Quitclaiming Parties") quitclaim any interest to the domain name *idgenesis.com* and the ICANN Accredited registrar ID Genesis, LLC, (collectively "ID Genesis") to Netsphere, and make an express quitclaim to Netsphere and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to ID Genesis, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived by ID Genesis from and after the Settlement Date. All rights granted, if any, and related abandonment of claims and interests in ID Genesis shall be irrevocable.

8. **Oversee Lawsuit.**

- A. As of the Settlement Date, each of the USVI Parties on behalf of themselves and their legal and beneficial owners (the "Oversee Lawsuit Assignors") hereby quitclaim all rights, title and interest which may be held by the Oversee Lawsuit Assignors in the claims and causes of action that are or could be asserted by the USVI Parties in the USVI Oversee Lawsuit to Manila, and make an express quitclaim to Manila and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all proceeds derived from the USVI Oversee Lawsuit, including, without limitation, any proceeds collected from a settlement or a judgment in the USVI Oversee Lawsuit. All rights granted by the USVI Parties, if any, and related abandonment of claims and interests in the USVI Oversee Lawsuit shall be irrevocable.

The Oversee Lawsuit Assignors represent that no other Party has any interest in the USVI Oversee Lawsuit. If any of the Manila Parties acquire an interest in Oversee's claims against Ondova, Baron or the Trusts, the Manila Parties and any of their assignees are estopped from prosecuting such claims from and after the Settlement Date and such claims are forever waived.

Any proceeds derived from any counterclaims, rights of set-off, recoupment, remedies, rights or defenses asserted by the Oversee Lawsuit Assignors in any case against Oversee

which are based upon the same subject matter as the affirmative claims and/or causes of action of the Overseas Lawsuit Assignors in the USVI Overseas Lawsuit are hereby quitclaimed and assigned by the Overseas Lawsuit Assignors to Manila.

- B. The Overseas Lawsuit Assignors agree that the USVI Overseas Lawsuit will be prosecuted by the Overseas Lawsuit Assignors at the direction of Manila; provided, such agreement does not constitute an assumption by Manila of any liability of the Overseas Lawsuit Assignors and the Overseas Lawsuit Assignors remain liable for any cause(s) of action or claim(s) that have been or may be brought by Overseas.

Furthermore, each Party, excluding Manila, the Estate and the Chapter 11 Trustee, but including Ondova, from and after the date of confirmation of the Ondova Plan if a Plan is filed and confirmed by the Bankruptcy Court (the "Confirmation Date"), agrees that if Overseas grants it a general release for any and all claims Overseas has against it related to the monetization of the Blue Horizon Portfolio and/or the Even Portfolio and/or the Odd Portfolio domain names by Overseas, such Party shall give a reciprocal general release of any and all claims it has against Overseas related to the monetization of the Blue Horizon Portfolio and/or the Even Portfolio and/or the Odd Portfolio domain names by Overseas.

Notwithstanding the foregoing, each and every Party (except for the USVI Parties) specifically retains any and all of its own: (i) defenses, (ii) rights, (iii) remedies, (iv) counterclaims, (v) rights of setoff, and (vi) recoupment which it may have in the event it is in the future added as a party to any of the lawsuits involving Overseas or Overseas's assignee(s). Subject to Section 8.A. above, the USVI Parties specifically retain any and all of their own: (a) defenses, (b) rights, (c) remedies, (d) counterclaims, (e) rights of setoff, and (f) recoupment which they may have against Overseas or any Overseas assignee.

9. **USVI Entities.** As of the Settlement Date, each of the Manila Parties, in partial consideration for this Agreement, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the Trusts, the Chapter 11 Trustee, the USVI Parties and Ondova agree that:

- A. All capital accounts, other accounts, interest in, distributive shares of, and liquidations shares of USVI corporations, in or of Four Points are deemed by all Parties to stand at Zero Dollars (\$0.00), and all interest in, distributive shares of, and liquidations interests of USVI corporations in Four Points are deemed by all Parties to be equal to zero percent (0%);
- B. In consideration of this Agreement, (i) each USVI corporation has, previously and as of the Settlement Date, no interest in Four Points, (ii) any interest in Four Points owned by a USVI corporation is hereby renounced, and (iii) each USVI corporation is discharged, withdrawn and terminated as a limited partner, partner, associate or affiliate in or with Four Points;
- C. All present and past officers, directors, employees, agents and representatives of each of USVI corporations are deemed to have, and are hereby, resigned and discharged from their respective positions, roles and capacities; and
- D. All Parties to this Agreement (except the USVI Parties) quitclaim any and all interests in or to Four Points and all USVI LLCs to Four Points.

10. **Abatement and Dismissal of Existing Cases.** The Parties acknowledge that the California Case is closed in that the dismissal was appealed but affirmed on June 3, 2009, by the appellate court via *Manila Industries Inc., et al. v. Ondova Limited Co. d/b/a Compana LLC, et al.*, No. 07-55232 (9th Cir. Ct. of Appeals), and any claims brought pursuant to such case are released pursuant to this Agreement and the terms herein. In such regard, each of the Parties agrees, within two (2) business days after the Transfer Date, to execute and deliver to Munsch Hardt Kopf & Harr, P.C., in escrow for filing, and it shall promptly file, Agreed Orders of Dismissal and/or Joint Stipulations of Dismissal with Prejudice in the Texas Case, VI Case, Phonecards.com Case and Dallas Federal Case in the exact form attached hereto as **Exhibits H, I, J and K**, respectively.

11. **Bankruptcy Court Approval.** This Agreement, and its validity, (i) is subject to the Bankruptcy Court's entry of the Final Settlement Order pursuant to Federal Rule of Bankruptcy Procedure 9019, and each of the Parties agrees to cooperate in obtaining the same through a motion seeking such approval; (ii) is subject to the delivery of the Cash Payment to the Chapter 11 Trustee on or before the Transfer Date (herein "Funding"); and (iii) notwithstanding anything to the contrary herein, shall not be binding on any of the Parties until the date of the Final Settlement Order and Funding. As used herein:

A. "**Final Settlement Order**" shall mean an order approving this Agreement: (1) as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired, and as to which no appeal, petition for certiorari, stay or other proceeding for reargument or rehearing has been sought or ordered; (2) as to which a timely appeal, petition for certiorari, stay, reargument or rehearing thereof has been sought, but such request resulted in one of the following: (a) the request has been withdrawn, (b) the relief requested has been denied, or (c) the Bankruptcy Court's order shall have been otherwise affirmed by the highest court to which such order was appealed, or from which reargument or rehearing was sought, and no further timely request for appeal, reargument or rehearing may be made; or (3) which the Parties unanimously agree in writing, each in their own discretion, to rely upon following the Bankruptcy Court's entry of the order in question, notwithstanding any timely appeal, petition for certiorari, stay, reargument or rehearing sought with respect to such order by any third party.

B. "**Settlement Date**" shall mean the day after the date on which the Bankruptcy Court's order approving this Agreement becomes a Final Settlement Order.

C. **Effectiveness.** For avoidance of doubt, nothing whatsoever contained in this Agreement shall be binding on the Parties prior to the receipt by the Chapter 11 Trustee of the Cash Payment from Manila; and any provisions of this Agreement which are effective or occur prior to receipt of the Cash Payment are null and void if the Cash Payment is not received by the Chapter 11 Trustee.

12. **Intellectual Property.**

A. The following shall be referred to as the "**Netsphere Software**": (a) domain names registered by Netsphere and/or Krishan and/or their privacy service that are not currently registered via Ondova, excluding the Remaining Allocated Names; (b) any search engine software developed in whole or in part by any of the Manila Parties or Manila Related Parties (hereinafter collectively referred to as the "**Netsphere Parties**"), including, but not limited to, the website, content and search engine software developed for *searchguide.com*, (herein, the "**Search Engine Software**"), (c) any software used to identify domain names to register developed in whole or in part by any of the Netsphere Parties (the "**Registration**

Software”); (d) any trademark filtering software developed in whole or in part by any of the Netsphere Parties (the “Filtering Software”); (e) any monetization/domain name parking software developed in whole or in part by any of the Netsphere Parties; (f) the content of any and all websites developed in whole or in part by any of the Netsphere Parties, including, but not limited to, Searchguide Software, Pokerstar Software, and Domain Jamboree Software; and (g) all intellectual property developed in whole or in part by any of the Netsphere Parties. Any software developed in whole or in part by the Netsphere Parties belongs to Netsphere and is freely transferable by Netsphere. It is explicitly agreed that any trademark filtering software or code developed in whole or in part by any of the Netsphere Parties; any registration software or code developed in whole or in part by any of the Netsphere Parties; any search engine software or code developed in whole or in part by any of the Netsphere Parties; and any monetization software or code developed in whole or in part by any of the Netsphere Parties that is in any of the Netsphere Parties’ possession belongs to Netsphere and is freely transferable by Netsphere.

- B. Except as expressly provided in this Section 12, effective as of the Settlement Date, each of the Parties, including, but not limited to, the Netsphere Parties (except for Netsphere), the Trustee of the MMSK Trust, the USVI Parties, the Interested Parties, the Trusts, the Chapter 11 Trustee, Baron and Ondova (the “Netsphere Software Quitclaiming Parties”) hereby assigns, transfers, and sets over all of its rights, title and interest in the Netsphere Software, expressly quitclaims to Netsphere, and disavows all rights of every kind, nature and description, if any, they may have, or ever had, in and to the Netsphere Software and all rights related thereto, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from and after the Settlement Date with respect to the Netsphere Software. All rights granted, if any, and all related abandonment of claims and interests in Netsphere Software are irrevocable.
- C. Each of Baron, Ondova, the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties represent, warrant and agree to each other that Baron, Ondova and the Estate do not have any software or code in their possession that was developed in whole or in part by the Netsphere Parties. Each of Baron, Ondova and the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties further represent, warrant and agree to each other that the Netsphere Parties do not have any software or code developed solely by Baron, Ondova or the Estate. Each of Baron, Ondova and the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties represent and warrant to each other that: (i) DP Communications has not utilized any software or code from Baron or Ondova in connection with any software development or other work DP Communications did for the Netsphere Parties and has not transferred any software or code from Baron or Ondova to the Netsphere Parties; and (ii) DP Communications has not utilized any software or code from the Netsphere Parties in connection with any software development or other work DP Communications did for Baron or Ondova and has not transferred any software or code from the Netsphere Parties to Baron or Ondova.

- D. Based upon the foregoing representations in Section 12.C., the Netsphere Parties agree that anything in Ondova or Baron's possession is owned by Baron and is freely transferable by Baron. Further, the Netsphere Parties explicitly agree that any software or code previously or currently used by Ondova in connection with the registration of domain names, including, but not limited to, (i) any software or code used to fulfill the registrar's obligations under paragraph 3 of the ICANN Registrar Accreditation Agreement, as may be amended from time to time (currently located at: <http://www.icann.org/en/registrars/ra-agreement-21may09-en.htm>), (ii) any software or code necessary to interact with a domain name registry (which may include the acceptance or refund of a fee for the registration, transfer or renewal of a domain name); (iii) any software or code to provide access to an administrator or domain name registrant to update the WHOIS information, nameserver information and/or IP address information for a domain name; (iv) drop-catching software or code; (v) software or code used to identify domain names to register; and (vi) software or code that performs a search function on an internal registrar database; and explicitly excluding any (a) monetization software; (b) search engine-related software; (c) trademark filtering software; and (d) domain parking or pay-per-click software (said exclusions do not invalidate the explicit inclusions in (i)-(vi) and said inclusions will control over the exclusions in the event of conflict between said inclusions and exclusions), is Baron's and is freely transferable by Baron. Any software solely developed by Baron and/or Ondova is freely transferable by such Party, excluding any software that was developed in part by Netsphere.
- E. As of the Settlement Date, each of Baron, Ondova, and the Estate hereby assigns, transfers and sets over all of his or its rights, title and interest in any software or code solely developed by Baron and/or Ondova that is in the Netsphere Parties' possession (the "Netsphere Additional Software"), expressly quitclaims to Netsphere and disavows all rights of every kind, nature and description, if any, he or it may have, or ever had, in and to the Netsphere Additional Software and all rights related thereto, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill and the income that may be derived from and after the Settlement Date with respect to the Netsphere Additional Software. All rights granted, if any, and all related abandonment of claims and interests in Netsphere Additional Software are irrevocable.
- F. As of the Settlement Date, Netsphere grants to Jeffrey Baron, Ondova and the Trust LLCs a non-exclusive, non-transferable, royalty-free, worldwide license (the "Baron License") to use and reproduce the Netsphere Software and make derivative works based on the Netsphere Software that, as of the Settlement Date, is lawfully in Ondova or Baron's possession and has not been obtained by any fraudulent or illegal means, in violation of any state's or federal law, or by hacking into or otherwise illegally accessing Netsphere's servers or computers without Netsphere's express permission, as determined by a court of competent jurisdiction by a final order; provided, the Baron License excludes any right to distribute, sell, rent, lease and/or license or sublicense the Netsphere Software and/or derivative works based on the Netsphere Software for a period of thirty-one and one-half (31.5) months commencing on the Settlement Date. Upon expiration of the thirty-one and one-half (31.5) month period, the foregoing license in this Section 12.F. becomes freely transferable in whole or in part and shall then include the right to distribute copies. The foregoing license in this Section 12.F. may be extended at Baron's option to up to six (6) to-be-formed entities for Jeffrey Baron provided that Netsphere receives prior written notice of any such prospective extension of

the license along with a confirmation in writing under oath from Jeffrey Baron that the ownership of the new licensee comports with the ownership requirements of this Section 12.F, and, with respect to three (3) of such entities, the name and place of formation of such entities to receive the license, provided that the ownership of such entities shall be either: (i) wholly owned by Jeffrey Baron; (ii) owned directly through one or more wholly owned subsidiaries of (a) an entity wholly owned by Jeffrey Baron or a trust of which any of the Trusts, Ondova, Jeffrey Baron or a third party (who has no direct or indirect, legal or beneficial, interest whatsoever in Baron or any entity or trust of which Baron has any direct or indirect, legal or beneficial, interest of any kind) are the settlor and Jeffrey Baron is the sole primary beneficiary (such trust may have one or more contingent beneficiaries so long as such beneficiaries are 501(c)(3) charities or beneficiaries that are contingent upon the death of Jeffrey Baron) or (b) a wholly owned subsidiary of an entity wholly owned by Jeffrey Baron or a trust of which any of the Trusts, Ondova, Jeffrey Baron or a third party (who has no direct or indirect, legal or beneficial, interest whatsoever in Baron or any entity or trust of which Baron has any direct or indirect, legal or beneficial, interest of any kind) are the settlor and Jeffrey Baron is the sole primary beneficiary (such trust may have one or more contingent beneficiaries so long as such beneficiaries are 501(c)(3) charities or beneficiaries that are contingent upon the death of Jeffrey Baron); or (iii) identical to the current ownership of Ondova or the Trust LLCs. During the thirty-one and one-half (31.5) month period commencing on the Settlement Date, any change in the current ownership of Ondova, the Trust LLCs or in the initial ownership of the to-be-formed entities shall be a sale or transfer in material breach of the license granted to that entity in this Section 12.F and shall result in termination of that license (only with respect to the entity in breach), except where the change in ownership comports with (i)-(iii) in this Section 12.F, as confirmed in writing under oath by Jeffrey Baron. To the extent an entity granted a license under this Section 12.F terminates the license prior to a change in its ownership, the change in ownership shall not be a material breach of the license (the Parties acknowledge and agree that any entity that has terminated its license under Section 12.F has done so permanently and cannot obtain another such license).

- G. As of the Settlement Date, Netsphere grants to Jeffrey Baron, Ondova and the Trust LLCs a non-exclusive, transferable, royalty-free, worldwide license to use, reproduce, and distribute copies of the Netsphere Additional Software and make derivative works based on the Netsphere Additional Software.

13. **Phonecards Settlement.**

- A. In order to resolve the claims in the Phonecards.com Case, the Parties agree that: (i) CC.com shall retain its fifty percent (50%) ownership interest in the domain name *phonecards.com* (the "CC Interest") until the second anniversary of the Transfer Date (the "Anniversary Date"); and (ii) effective as of the first day following the Anniversary Date and continuing for a period of sixty (60) days thereafter (the "Option Period"), Equity Trust shall have the option ("Option") to purchase the CC Interest for Ten Thousand Dollars (\$10,000.00) (the "PC Purchase Price"). In the event Equity Trust desires to purchase the CC Interest, Equity Trust shall exercise the Option by delivering written notice to CC.com (the "Notice") of Equity Trust's exercise of the Option and a wire transfer of the PC Purchase Price in accordance with the wire instructions provided by Ravi Puri to Eric Taube, Craig Capua and Elizabeth Schurig by email dated June 7, 2010, as may be updated with written notice from CC.com to Jeffrey Baron (via the email address provided by email from Gary Lyon to Ravi Puri on June 22, 2010) at least thirty (30) days prior to any date on which payment is due (the "Phonecards Payment").

Instructions”), on or before 5:00 p.m., Dallas, Texas, time on the last day of the Option Period. In the event Equity Trust exercises the Option by timely delivery of the Notice and payment of the PC Purchase Price, CC.com shall promptly deliver to Equity Trust an assignment of the CC Interest in substantially the form attached hereto as Exhibit L. Time is of the essence with respect to the Option and, in the event Equity Trust fails to timely deliver the Notice and pay the PC Purchase Price, effective immediately upon expiration of the Option Period, the Option shall lapse and be of no further and effect and Equity Trust shall have no right to purchase the CC Interest.

- B. CC.com is aware that Equity Trust hired Speedypin in August 2009 to operate the *phonecards.com* website and that Equity Trust is not operating the *phonecards.com* website. Equity Trust shall (i) provide CC.com with the login username and password for the *phonecards.com* account(s) with Speedypin within five (5) business days after the date the 9019 motion is filed with the Bankruptcy Court (the “9019 Filing Date”), and (ii) notify CC.com of any updates to such login username and password within five (5) business days of any change. Equity Trust shall further pay and deliver to CC.com fifty percent (50%) of the revenue for *phonecards.com* and supporting documentation for such revenue (which documentation is available via *speedypin.com*’s website as of the date of this Agreement) (collectively, the “PC Items”) on a monthly basis commencing on the 9019 Filing Date and continuing through the Option Period until such time as CC.com no longer retains its CC Interest. Equity Trust shall use its best efforts to have Speedypin, or any other such operator of *phonecards.com*, within two (2) months of the 9019 Filing Date, (a) send any outstanding and future PC Items directly to CC.com, and (b) on the same day any revenue is sent to Equity Trust, deliver such revenue to CC.com pursuant to the Phoncards Payment Instructions (or by check to CC.com at 9821 Katy Freeway, Suite 101, Houston, TX 77024). If Speedypin, or any other such operator of *phonecards.com*, does not agree to send CC.com any of the PC Items within two (2) months of the 9019 Filing Date, the obligations shall remain with Equity Trust to do so by the fifth (5th) business day of each month, with revenue to be paid pursuant to the Phoncards Payment Instructions. The Parties agree that this Agreement (including the releases contained herein) does not replace any existing or future continuing obligations that may exist, if any, under the terminated *phonecards.com* agreement that was effective as of August 1, 2001 (“Phoncards.com Agreement”), including, but not limited to, the last sentence of paragraph 9 of the Phoncards.com Agreement. Equity Trust and CC.com will submit an order to the 68th District Court directing CC.com to provide certain information from the Phoncards.com database to Equity Trust. Compliance with that order will be in full satisfaction of any of CC.com’s obligations under paragraph 9 of the Phoncards.com Agreement to produce or provide information from the even numbered records in the Phoncards.com database.

14. **Proofs of Claim.** As consideration for this Agreement, including, without limitation, the cooperation of the Chapter 11 Trustee, any and all proofs of claim filed in the Bankruptcy Case by the Parties hereto or debts listed in Ondova’s bankruptcy schedules are hereby waived and withdrawn as of the Settlement Date. Upon the request of the Chapter 11 Trustee, each Party agrees to promptly execute and deliver to the Chapter 11 Trustee a release of proof of claim form or other appropriate document evidencing the withdrawal of such Party’s proof of claim.

15. **Mutual General Release.**

- A. As part of the consideration for the promises exchanged herein, from the beginning of time to the date of the Final Settlement Order, except as specifically provided herein

regarding the enforcement of this Agreement, each Party and its respective heirs, family members, executors, divisions, affiliates, subsidiaries, parents, branches, predecessors, successors, assigns, and, with respect to such persons, their past, present and future officers, directors, managers, trustees, employees, servants, agents, shareholders, members, investors, administrators, general or limited partners, representatives, insurers, fiduciaries, advisors, attorneys, affiliates, and other agents fully, completely, unconditionally and forever, RELEASES and DISCHARGES each other Party and its respective heirs, family members, executors, divisions, affiliates, subsidiaries, parents, branches, predecessors, successors, assigns, and, with respect to such persons and individuals (inclusive of any and all capacities, including, without limitation, professional, fiduciary, representational, individual and personal) their past, present and future officers, directors, managers, trustees, employees, servants, agents, shareholders, members, investors, administrators, general or limited partners, representatives, insurers, fiduciaries, advisors, attorneys, affiliates, and other agents, from any and all agreements, compensation, complaints, controversies, costs, damages, debts, demands, expenses, grievances, losses of service, promises, claims, causes of action, rights, remedies, duties, obligations, actions, omissions, loss, or liability whatsoever, whether known or unknown, directly or indirectly arising from or out of, growing out of, based upon, in whole or in part, or attributable to, events, acts or omissions occurring in whole or part from the beginning of time through to the date of the Final Settlement Order, regardless of whether any such claims or causes of action have yet accrued.

- B. Further, notwithstanding that no Party intends to release its own attorneys as a result of the releases set forth in this Section 15, because and to the extent that Baron, Ondova, the Trusts, Domain Jamboree Parties and/or any of their affiliated entities (collectively, the "Baron Parties") claim, or have claimed in the past, that certain opposing attorneys have also allegedly acted as his, her, its or their legal counsel, agent or representative in any other capacity, which allegations are understood by all of the undersigned as disputed fact issues to be compromised by this Agreement, the Baron Parties and all other Parties state, represent and agree that each of the following have never been attorneys, agents or representatives of, or represented in any professional capacity, the Baron Parties for any purpose and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary, representational, individual and personal: John MacPete, Paul Storm, any attorneys at Storm LLP, Dean Hinderliter, any attorneys at Locke, Liddell & Sapp, LLP, any attorneys at Locke Lord Bissell & Liddell, LLP, A.J. Stone, any attorneys at Bolt & Nagi, Frank Perry, any attorneys at Payne & Blanchard, Denis Kleinfeld, any attorneys at The Kleinfeld Firm, any attorneys at Rothstein, Rosenfeld & Adler, Melissa Hayward, any attorneys at Flynn, Skierski, Lovell & Hayward, Ravi Puri, Sharon Hotchkiss, Daniel J. Sherman, any attorneys at Sherman & Yaquinto, Raymond J. Urbanik and any attorneys at Munsch Hardt Kopf & Harr, P.C. Further, and to the same effect, the Manila Parties state, represent and agree that each of the following have never been attorneys, agents or representatives or represented in any professional capacity the Manila Parties for any purpose and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary representational, individual and personal: West & Associates, LLP, Craig Capua, Hohmann, Taube & Summers, LLP, Eric Taube, Raymond J. Urbanik, M'Lou Patton Bell, Munsch Hardt Kopf & Harr P.C., Jeff Hall, Gerrit Pronske, Pronske Patel, LLC, John M. Cone and Hitchcock Everet, LLP. Additionally, and to the same effect, Baron, Ondova and the Domain Jamboree Parties state, represent and agree that each of the following have never been attorneys, agents or representatives or represented in any professional capacity Baron, Ondova and/or the Domain Jamboree Parties for any purpose

and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary representational, individual and personal: West & Associates, LLP, Craig Capua, Hohmann, Taube & Summers, LLP, Eric Taube, John M. Cone and Hitchcock Everet, LLP.

- C. The Manila Parties hereby RELEASE and DISCHARGE Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the MMSK Trust, Elizabeth Schurig and her past and present firms in any and all capacities from the beginning of time to the date of the Final Settlement Order, regardless of whether such claims or causes of action has yet accrued, notwithstanding any allegations of fact that at some point Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the MMSK Trust, Elizabeth Schurig and her past or present firms may have served as attorneys for the Manila Parties.
- D. Baron, Ondova and the Domain Jamboree Parties hereby RELEASE and DISCHARGE Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the Village Trust, Elizabeth Schurig and her past and present firms in any and all capacities from the beginning of time to the date of the Final Settlement Order, regardless of whether such claims or causes of action has yet accrued, notwithstanding any allegations of fact that at some point Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the Village Trust, Elizabeth Schurig and her past or present firms may have served as attorneys for Baron, Ondova and/or the Domain Jamboree Parties.
- E. Each releasing Party does specifically waive any claim or right to assert any cause of action or alleged cause of action or claim or demand which has, through oversight or error, intentionally or unintentionally or through a mutual mistake, been omitted from this Release and which is based in whole or in part on any act or omission occurring from the beginning of time to the date of the Final Settlement Order, regardless of whether such claim or cause of action has yet accrued.
- F. The foregoing provisions notwithstanding, all Parties represent, agree and confirm to the other Parties that they have no reason to believe any other third party (that is not a signatory hereunder) has any right, ownership, claim and/or other interest in and to any of the items discussed in this Agreement. Accordingly, each Party to this Agreement represents to each other Party that all necessary parties to effectuate this Agreement with respect to the signing Party have agreed to the terms of this Agreement and have signed (or granted authority in writing to be signed on their behalf) this Agreement. The foregoing representations are material representations, and any breach of such representations shall be a material breach of this Agreement.
- G. For avoidance of doubt, the releases given herein by the Chapter 11 Trustee are made solely in his capacity as trustee for Ondova. Additionally, notwithstanding any provision of this Agreement to the contrary, nothing contained herein shall, in any way limit, reduce, waive, impair or otherwise restrict any and all other claims the Chapter 11 Trustee may have against persons or entities which are not Parties to this Agreement, all of which such rights and claims are specifically reserved.
16. **Delivery of Tax Documents.** On or before the Settlement Date, the Village Trust shall deliver the following tax documents to Manila, and Manila shall have no obligation to make the Cash Payment or to execute and deliver **Exhibit A** until such documents are delivered to Manila: Internal Revenue Service Form W-8IMY executed by the Village Trust and Form W-9 executed

by each beneficial owner of the Village Trust. Within five (5) days after the Settlement Date, the USVI Entities shall deliver the 2006, 2007, 2008, 2009, and 2010 tax filings for each of the USVI corporations to Manila and the Village Trust, including all notices and other communication received by the USVI Entities, or on behalf of the USVI Entities, from governmental agencies related thereto, and all correspondence responding to the same. Manila agrees that it will issue or cause to be issued a Form 1099 or Schedule K-1 to the Village Trust, and not to Jeffrey Baron, in connection with the Cash Payment, the Deferred Payment and the amount of the Combined Pokerstar Revenue that is wired to the Village Trust or at the direction of the Village Trust. Netsphere agrees that it will issue or cause to be issued a Form 1099 or Schedule K-1 to the Licensor identified in the License Agreement in connection with payments made pursuant to the License Agreement. The Baron Parties agree that there shall be no income attributable to the MMSK Trust as a result of the payments required to be made under this Agreement; and no Party shall issue or cause to be issued a Form 1099 or Schedule K-1 to the MMSK Trust, the Manila Parties, and/or the Manila Related Parties in connection with such payments. Except as otherwise provided in this Agreement, no Form 1099 or Schedule K-1 (or other tax form reporting an amount of taxable income to another Party) shall be issued by any Party to the other Parties for 2009 and prior tax years (or for 2010 and subsequent years, except with the consent or agreement of the recipient) or as required by a final settlement or closing agreement entered into with the United States Internal Revenue Service or any United States state or local taxing authority.

17. **Dauben Disclaimer.** Joey Dauben, on behalf of himself, Dauben, Inc., d/b/a Texas International Property Associates and Privacy Protection Services, Inc., d/b/a Oakwood Services, Inc., and his and their respective affiliates, has executed and delivered to the Parties a disclaimer of interest in substantially the form (exclusive of exhibit reference) attached hereto as **Exhibit M**.
18. **Representations and Warranties.** Each Party makes the following representations and warranties to each other Party, which representations and warranties shall survive the execution of this Agreement:
 - A. Such Party has either been, or has had the reasonable opportunity to be, adequately represented by independent and competent legal counsel of his, her or its own choosing in connection with the negotiation and execution of this Agreement and in any and all matters whatsoever relating or appertaining hereto;
 - B. In executing this Agreement, such Party has relied upon his, her, or its own judgment and/or upon the advice of his, her, or its own personal attorneys; that he, she, or it has not been induced to sign or execute this Agreement by any promises, agreements, or representations whatsoever which are not expressly stated herein; and that he, she, or it has freely and willingly executed this Agreement and expressly denies and disclaims any reliance upon any facts, promises, undertakings, or representations made by any other Party or any other Party's legal representatives, agents or advisors at any time prior to and through the Settlement Date;
 - C. Such Party considers the terms of the Agreement to be fair and reasonable and not unconscionable in whole or in part, and such Party's consent to this Agreement was not procured, obtained, or induced in any way or manner by mistake, fraud, improper conduct, or undue influence;
 - D. After investigation and consultation with his, her, or its own attorneys, if any, such Party agrees that this Agreement is satisfactory and is fully supported by good, valid, and

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adequate consideration for all obligations, performance and promises to perform herein, the receipt of which is expressly acknowledged by such Party;

- E. Such Party understands and agrees to all terms, provisions and conditions of this Agreement;
- F. Such Party has the requisite legal authority, capacity, and consent to execute this Agreement, and this Agreement is binding upon such Party acting in the legal capacity or capacities herein stated;
- G. Such Party represents and warrants that in executing this Agreement, it, he or she is not relying on any representation or warranty other than that which is specifically set forth in writing in this Agreement;
- H. Since the date of commencement of the Dallas Federal Case, such Party has not transferred or assigned any interest in any of its, his or her interest in any claim or property interest affected by this Agreement (except for domain names identified in the monthly reports required by February 8, 2010, Order Regarding Transparency in the Transfer and Deletion of Domain Names by the Court in the Dallas Federal Case);
- I. Since the commencement of the Dallas Federal Case, such Party has not transferred or assigned all or any portion in any of its, his or her interest in any claims or causes of action that such Party may have against any other Party to this Agreement (except to his or its attorneys in consideration for attorneys' fees);
- J. Each of the Parties hereto represents and warrants to each other Party that at no time after December 30, 2005, did Ondova or the Estate (i) own any interest, legally or beneficially (including, without limitation, domain names), in the Blue Horizon Portfolio, the Odd Group Portfolio or the Even Group Portfolio; or (ii) sell, assign, transfer or otherwise exercise a remedy available to Ondova or the Estate with respect to the Blue Horizon Portfolio, the Odd Group Portfolio or the Even Group Portfolio; and
- K. Each of the Parties hereto represents and warrants to each other Party that the USVI deal was not consummated.
- L. As of the date of the filing of the 9019 motion in the Bankruptcy Court, each of the Trustee of the Village Trust and the Trustee of the MMSK Trust represent and warrant that all beneficiaries of such trusts are Parties to this Agreement or that the beneficiaries of such trusts that are Parties to this Agreement have the legal capacity to sign on behalf of the other beneficiaries of such trusts.
- M. As of the date of the filing of the 9019 motion in the Bankruptcy Court, Baron represents and warrants that all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust are signing this Agreement or that he has the legal capacity to sign on behalf of the other beneficiaries of such trusts and IRAs.
- N. As of the date of the filing of the 9019 motion in the Bankruptcy Court, each of Munish Krishan and Seema Krishan represent and warrant that all beneficiaries of The MMSK Trust are signing this Agreement or that he or she, as applicable, has the legal capacity to sign on behalf of the other beneficiaries of The MMSK Trust.

- O. Each of such Parties, jointly and individually, from the beginning of time to the Settlement Date, represents and warrants to each other Party that it has not transferred any assets and has no knowledge of any other person or entity transferring any assets (which are addressed, transferred or distributed by or pursuant to this Settlement Agreement except for DJ) to the Belton Trust or DJ.
 - P. Each of such Parties, jointly and individually, represents, warrants and agrees to and with each other Party that, if any person or entity other than Jeffrey Baron later claims to be the trustee of the Belton Trust, it will not do anything, directly or indirectly, to assist such person or entity in challenging the enforceability of, or compliance with, the Settlement Agreement.
19. **Requested Findings.** The Parties agree to seek Bankruptcy Court approval in the order approving this Agreement for the following findings ("Findings"):
- A. That in December 2005 Jeffrey Baron, directly or indirectly through entities owned or controlled by Jeffrey Baron, intended to transfer any domain name he or they owned to the Village Trust and such intention to transfer was not conditional on whether or not the USVI deal was consummated.
 - B. That Jeffrey Baron has not been the moving force behind monetization of the domain names in the "Odd Group Portfolio" since at least July 17, 2009.
 - C. That Jeffrey Baron has not been the moving force behind monetization of the domain names in the Blue Horizon Portfolio since at least April 25, 2009.
 - D. That neither Jeffrey Baron nor Ondova Limited Company have been listed as the registrant of record for, or been the licensee of the listed registrant of record for, or holder of record title to or in, the domain names in the Odd Group Portfolio.
 - E. That Jeffrey Baron is the trustee of the Belton Trust; that all beneficiaries of the Belton Trust are signing the Settlement Agreement and desire that the Belton Trust be bound by this Settlement Agreement; that the only asset in which the Belton Trust has any interest of any kind is DJ; and that the only assets in which DJ has any interest of any kind is the domain name *domainjamboree.com*, its accreditation agreement with ICANN and its registry agreement with Verisign, Inc.
 - F. That Jay Kline is the current Manager of DJ and is authorized to sign this Settlement Agreement on behalf of DJ.

The Parties acknowledge and understand that the Findings may not be approved by the Bankruptcy Court. Since the Findings are not required, the Findings are not material to this Agreement and the remaining terms of the Agreement are: (i) not affected; (ii) fully enforceable, and (iii) shall be fully performed as required by this Agreement.

20. Taxes.

- A. After the Transfer Date, upon the reasonable request of any Party, each other Party shall cooperate in all reasonable respects in preparing for any audits of, or disputes with, taxing authorities regarding any tax returns concerning the matters addressed in this Agreement. Each Party shall be solely responsible for paying any taxes or penalties assessed against them and, further, shall be responsible for all of its attorney fees and costs associated therewith. The mutual general releases provided for in this Agreement include a release of any claims for contribution or indemnity or monetary damages related to any taxes or any penalties assessed against any Party. Subject to the agreement of the Parties set forth in Section 20.A. hereof, each Party is free to take the tax position of its choosing and is solely responsible for any consequences resulting from any such position taken.
- B. The Parties agree that unanimous consent of Newco LLC (as defined below), Quantec LLC, Iguana Consulting LLC, and Novo Point LLC is required to engage in any discussions with the USVI BIR concerning the tax liability of Quantec, Inc., Iguana Consulting, Inc. or Novo Point, Inc., for taxable years beginning on or after January 1, 2006. The Parties further agree that:
- (i) The Parties, as applicable, rescind any purported assignment of shares in the USVI corporations from MMSK Trust to the existing Trust LLCs and any purported ownership interest in the existing Trust LLCs issued to MMSK Trust, and such Parties further agree to treat such assignment and issuance as having never occurred;
 - (ii) The Parties agree that the Manila Related Parties have never had any ownership interest in any of the Trust LLCs;
 - (iii) On or before July 12, 2010, the Trustee of the MMSK Trust agrees to form a new Cook Islands LLC ("Newco LLC") owned by the MMSK Trust to hold the MMSK Trust's and Manila Related Parties' shares of Quantec, Inc. and Iguana Consulting, Inc; the Trustee of the MMSK Trust, Quantec LLC and Iguana Consulting LLC agree to execute Exhibit N acknowledging the rescission/quitclaim of Quantec LLC's and Iguana Consulting LLC's purported ownership of the MMSK Trust's shares of Quantec, Inc. and Iguana Consulting, Inc. and the MMSK Trust's purported ownership interest in Quantec LLC and Iguana Consulting LLC; the Trustee of the MMSK Trust agrees to execute Exhibit O assigning the MMSK Trust's shares of Quantec, Inc. and Iguana Consulting, Inc. to Newco LLC; and the Manila Related Parties agree to execute Exhibit P assigning the Manila Related Parties' shares of Quantec, Inc. and Iguana Consulting, Inc. to Newco LLC;
 - (iv) The current Protector of the MMSK Trust shall appoint Cook Islands Trust Protectors Limited as successor Protector of the MMSK Trust and resign as Protector of the MMSK Trust in the exact form attached hereto as Exhibit P (which has been executed and delivered to the attorney for the Trust LLCs by the Protector via an email dated June 21, 2010, from Bernard Haissly to Craig Capua). Within five (5) business days of the Settlement Date, the Trust LLCs agree to: (i) take care of any outstanding fee owed to the Protector of the MMSK Trust (the Protector has represented the amount of its full and final fee in an email dated June 21, 2010, from Bernard Haissly to Craig Capua and Ravi Puri)

(Gerrit Pronske is personally contributing \$10,000 to the Trust LLCs towards this payment) and the Manila Parties agree that they will not authorize the Protector to incur any further fees, expenses or costs for the MMSK Trust (which authorization is required pursuant to the email dated June 21, 2010 from Bernard Haissly to Craig Capua and Ravi Puri in order for fees to go above \$20,000 in total)(Craig Capua has also agreed in an email dated June 21, 2010 to Gerrit Pronske and Ravi Puri not to authorize the Protector to incur any further fees, expenses or costs for the MMSK Trust); and within five (5) business days of the Settlement Date, the Trustee of the MMSK Trust agrees to: (ii) forward to the Manila Parties a valid resignation from PN Management Limited as the Protector of the MMSK Trust in the form attached as Exhibit Q (exclusive of the exhibit reference) (that has been executed by Bernard Haissly on behalf of the current Protector of the MMSK Trust); and

- (v) Within five (5) business days of the completion of actions in clause (iii) above,
 - (a) Asiatrust Limited shall resign as Trustee of the MMSK Trust by executing and delivering a resignation and appointment of successor notice in the exact form attached hereto as Exhibit R (exclusive of the exhibit reference, and (b) the Protector of the MMSK Trust shall appoint Global Consultants and Services (Cook Islands) Limited as successor Trustee of the MMSK Trust.

21. **Jurisdiction.** The United States Bankruptcy Court for the Northern District of Texas (Dallas Division) shall have the exclusive jurisdiction over all disputes and/or matters whatsoever related to this Agreement, which involve the Estate as a party or that may directly or indirectly impact the Estate or any interest in property (within the meaning of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code")) held by the Estate or the Chapter 11 Trustee (as trustee for Ondova). Subject to the foregoing, the United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise. In the event that the Honorable Royal Furgeson is not available to hear a case related to this Agreement, then any other judge of the United States District Court for the Northern District of Texas shall have jurisdiction over such case.
22. **Choice of Law.** This Agreement shall be governed by and construed in accordance with applicable federal bankruptcy law, 11 U.S.C. §101 et seq., and the laws of the State of Texas, without regard to its conflicts of law principles.
23. **Attorneys' Fees and Costs.** In each of the Underlying Cases, each of the Parties shall bear its own respective attorneys' fees and costs. In the event of a dispute, the prevailing Party in any action to enforce this Agreement shall be entitled to reasonable attorneys' fees and costs of litigation.
24. **Binding Agreement.** The Parties agree that this Agreement, inclusive of the Recitals in Article 1 hereof, is a totally binding agreement which may not be altered by any Party without the written consent of all other Parties and will be in effect for all times, unless otherwise provided herein. This Agreement shall inure to the benefit of, and shall be binding upon the Parties hereto, and their respective heirs, distributees, beneficiaries, executors, administrators, successors, and assigns.
25. **Ondova Plan/Claims Objections.** Prior to the hearing on the motion to approve this Agreement, the Chapter 11 Trustee intends to file the Ondova Plan, if feasible, to provide for,

inter alia, payment of claims of creditors of Ondova. With respect to proofs of claim and other obligations of Ondova, the Chapter 11 Trustee agrees to allow the Daystar Trust to review and object to claims (but only in an amount in excess of \$10,000). The Chapter 11 Trustee reserves the right to comment and/or oppose any objections to claims filed by the Daystar Trust. The Chapter 11 Trustee does not object to Jeffrey Baron filing a competing reorganization plan and/or liquidation plan for Ondova. Prior to filing the Ondova Plan, the Trustee agrees to meet with Jeffrey Baron to confer regarding the Ondova Plan.

26. **Claims for Breach of this Agreement Not Released.** IT IS EXPRESSLY UNDERSTOOD AND AGREED AMONG THE PARTIES TO THIS AGREEMENT THAT THE TERMS OF THIS AGREEMENT RELEASING AND DISCHARGING THE PARTIES ARE NOT INTENDED TO RELATE TO, AND NONE OF THE PARTIES ARE RELEASING ANY OTHER PARTY FROM, ANY CLAIM WHICH MAY HEREAFTER ACCRUE WHICH IS BASED SOLELY UPON FACTS OCCURRING AFTER THE SETTLEMENT DATE AND WHICH SOLELY RELATES TO OR ARISES DIRECTLY FROM OR OUT OF A BREACH OF THIS AGREEMENT ITSELF. THIS SECTION 26 IS NOT INTENDED TO LIMIT THE PROSPECTIVE RELEASE (WHICH IS SET FORTH IN SECTION 15) FOR CLAIMS WHICH ARE BASED IN WHOLE OR IN PART ON FACTS OCCURRING PRIOR TO THE EFFECTIVE DATE.
27. **Waivers.** No waiver of any of the terms or provisions hereof shall be valid unless in writing and signed by all Parties. No waiver of default of any provision hereof shall be deemed a waiver of any subsequent breach or default of the same or similar nature.
28. **Reviewed by Counsel.** By execution hereof, each of the Parties acknowledges and agrees that this Agreement has been prepared and/or reviewed by the respective Parties and/or by the attorneys for each of the Parties.
29. **Entire Agreement.** Each Party hereto acknowledges that he, she, or it has carefully read this Agreement, including all documents or Exhibits that it incorporates and/or refers to, and that this Agreement expresses the entire agreement among the Parties concerning the subject matters it purports to cover; and that each Party has executed this Agreement freely and of his, her, or its own accord. No Party is relying on any oral representation or any other representation not set forth in writing in this Agreement. This Agreement supersedes all other agreements, whether written or oral, between the Parties relating to the subject matter hereof.
30. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be of equal rank. The execution of one counterpart by a Party shall be deemed the execution of all counterparts by such Party.
31. **Injunctive Relief.** The Parties agree that monetary damages alone may not be adequate recompense for any breach of this Agreement. In the event any Party breaches any of the terms, conditions, covenants, obligations, responsibilities or warranties placed upon such Party in this Agreement, then any other Party may seek only the remedies of specific performance and/or injunctive relief (whether mandatory or by restraint) and/or monetary damages, and if such Party is successful, then the Party breaching this Agreement agrees to pay all of the prevailing parties' reasonable attorneys' fees and costs of litigation in addition to any monetary damages awarded, if any. The Parties agree that the Pokerstar.com License Agreement provides for its own remedies and that the remedies available in this Agreement are not available under the Pokerstar.com License Agreement unless otherwise agreed upon in writing.

32. **Time of Essence.** Time is of the essence in performing the provisions of this Agreement.
33. **Survival.** The agreements, representations, and warranties set forth in this Agreement shall survive the execution hereof. If any term or provision of this Agreement shall be held to be invalid or unenforceable for any reason, such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining terms and provisions hereof. This Agreement shall be construed as if such invalid or unenforceable term or provision had not been contained herein, provided, however, that the foregoing shall in no way be interpreted or construed to affect the enforceability of the release provisions of this Agreement. This Agreement has been duly authorized and constitutes a legal, valid, and binding obligation of each Party hereto and is enforceable against each of them in accordance with its terms.
34. **Notice.** Any notices required by this Agreement shall be sufficiently given only if in writing and delivered personally or by a nationally recognized courier service, or mailed by prepaid registered mail addressed to the party for whom it is intended, at the address noted below, provided that any Party may notify the other Parties in writing of a change in such Party's address for the purposes hereof:

If to Baron:

Jeffrey Baron
P. O. Box 111501
Carrollton, Texas 75011

and

Dean W. Ferguson
4715 Breezy Point Drive
Kingwood, Texas 77345

If to Ondova:

Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

If to Manassas:

Manassas, LLC
Craig Capua
West & Associates
320 South R.L. Thornton Freeway
Suite 300
Dallas, Texas 75203

If to Shiloh, LLC:

Shiloh, LLC
c/o Quantec LLC
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

If to Javelina, LLC:

Javelina, LLC
c/o Novo Point LLC
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

If to Diamond Key:

Diamond Key, LLC
c/o Nina deVassal
3553 Asbury
Dallas, Texas 75205

If to the Trustee of The Village Trust:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

and

Craig Capua
West & Associates
320 South R.L. Thornton Freeway
Suite 300
Dallas, Texas 75203

If to the USVI Representative Parties:

Franklin H. Perry
Payne & Blanchard, LLP
700 N. Pearl Street, Suite 500
Dallas, Texas 75201

and

Denis A. Kleinfeld
Kopelowitz Ostrow
200 SW 1st Avenue, 12th Floor
Ft. Lauderdale, Florida 33301

EXECUTION VERSION

If to Manila Parties and Manila Related Parties:

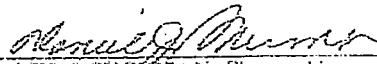
John W. MacPete
Locke Lord Bissell & Liddell LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201

With a courtesy copy to:


Ravi Pari, Esq.
Netsphere Inc.
1300 Bristol Street North, Suite 200
Newport Beach, CA 92660

35. Retention of Protected Materials. With respect to any discovery materials that have been produced under protective order in any of the Underlying Cases, such materials shall be preserved in accordance with and remain subject to the subject protective orders. Gardere Wynne shall maintain copies of the imaged computers produced to Special Master Peter Vogel by Equivalent Data and any copies which are currently in Equivalent Data's possession during the term of the License Agreement, and no Party or third party shall have access to such imaged computers except pursuant to legal process. To the extent any Party to this Agreement seeks access to copies of the imaged computers via legal process, such Party shall concurrently provide notice of such request to Baron and the Manila Parties. Special Master Peter Vogel has agreed to keep and maintain such discovery materials at no cost. Baron and the Manila Parties agree to seek an order from The Honorable Royal Furgeson which confirms that Gardere Wynne will maintain such copies during the term of the License Agreement, the form of such order to be substantially as set forth in Exhibit Q attached hereto.

IN WITNESS WHEREOF, the Parties have each signed this Agreement as of the Settlement Date.


DANIEL J. SHERMAN, Chapter 11
Bankruptcy Trustee of Ondova Limited
Company

ONDOVA LIMITED COMPANY

By: 
Daniel J. Sherman, Chapter 11 Bankruptcy
Trustee

MUNISH KRISHAN, Individually and on
behalf of Mahnik Krishan and Anami Krishan

SEEMA KRISHAN, Individually and on behalf
of Mahnik Krishan and Anami Krishan

EXECUTION VERSION

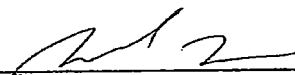
the term of the License Agreement, the form of such order to be substantially as set forth in **Exhibit Q** attached hereto.

IN WITNESS WHEREOF, the Parties have each signed this Agreement as of the Settlement Date.


DANIEL J. SHERMAN, Chapter 11
Bankruptcy Trustee of Ondova Limited
Company

ONDOVA LIMITED COMPANY

By: _____
Daniel J. Sherman, Chapter 11 Bankruptcy
Trustee



MUNISH KRISHAN, Individually and on
behalf of Mahnik Krishan and Amani Krishan



SEEMA KRISHAN, Individually and on behalf
of Mahnik Krishan and Amani Krishan



BIJU MATHEW, Individually



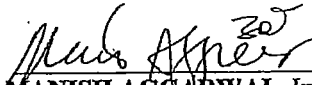
AMIR ASAD, Individually



ROHIT KRISHAN, Individually



MANOJ KRISHAN, Individually



MANISH AGGARWAL, Individually



AMER ZAVERI, Individually

EXECUTION VERSION

BIJU MATHEW, Individually

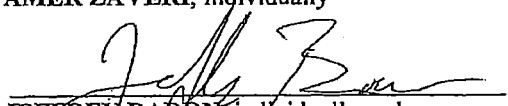
AMIR ASAD, Individually

ROHIT KRISHAN, Individually

MANOJ KRISHAN, Individually

MANISH AGGARWAL, Individually

AMER ZAVERI, Individually



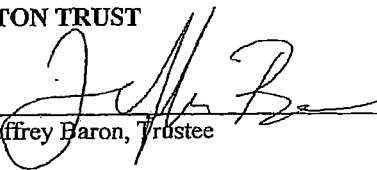
JEFFREY BARON, individually and as a beneficiary of and on behalf of all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust

DAYSTAR TRUST

By: 

Jeffrey Baron, Trustee

BELTON TRUST

By: 

Jeffrey Baron, Trustee

DENIS KLEINFELD, individually and on behalf of all officers, directors, managers, members and employees of the USVI Entities

EXECUTION VERSION

BIJU MATHEW, Individually

AMIR ASAD, Individually

ROHIT KRISHAN, Individually

MANOJ KRISHAN, Individually

MANISH AGGARWAL, Individually

AMER ZAVERI, Individually

JEFFREY BARON, individually and as a
beneficiary of and on behalf of all beneficiaries
of The Village Trust, Equity Trust Company
IRA 19471, the Daystar Trust, and the Belton
Trust

DAYSTAR TRUST

By: _____
Jeffrey Baron, Trustee

BELTON TRUST

By: _____
Jeffrey Baron, Trustee

DENIS KLEINFELD, individually and on
behalf of all officers, directors, managers,
members and employees of the USVI Entities

Jeanne E Hudson
JEANNE HUDSON, individually

BYRON DEAN, individually and as Sole
Member of Manassas

BUD BRANSTETTER, individually and as
Manager of Manassas

NINA DEVASSAL, individually and as Sole
Member and Manager of Diamond Key, LLC

SHILOH, LLC

By: _____
Name: _____
Title: _____

JAVELINA, LLC

By: _____
Name: _____
Title: _____

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

JEFFREY BARON, individually and as a beneficiary of and on behalf of all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust

DAYSTAR TRUST


By: _____
Jeffrey Baron, Trustee

BELTON TRUST

By: _____
Jeffrey Baron, Trustee

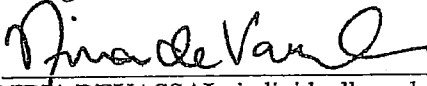
DENIS KLEINFELD, individually and on behalf of all officers, directors, managers, members and employees of the USVI Entities

JEANNE HUDSON, individually



BYRON DEAN, individually and as Sole Member of Manassas

BUD BRANSTETTER, individually and as Manager of Manassas



NINA DEVASSAL, individually and as Sole Member and Manager of Diamond Key, LLC

SHILOH, LLC

By: _____
Name: _____
Title: _____

JEFFREY BARON, individually and as a beneficiary of and on behalf of all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust

DAYSTAR TRUST

By: _____
Jeffrey Baron, Trustee

BELTON TRUST

By: _____
Jeffrey Baron, Trustee

DENIS KLEINFELD, individually and on behalf of all officers, directors, managers, members and employees of the USVI Entities

JEANNE HUDSON, individually

BYRON DEAN, individually and as Sole Member of Manassas

Bud Branstetter
BUD BRANSTETTER, ~~individually~~ and as Manager of Manassas ^{BB}

NINA DEVASSAL, individually and as Sole Member and Manager of Diamond Key, LLC

SHILOH, LLC

By: _____
Name: _____
Title: _____

EXECUTION VERSION

JEFFREY BARON, individually and as a beneficiary of and on behalf of all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust

DAYSTAR TRUST

By: _____
Jeffrey Baron, Trustee

BELTON TRUST

By: _____
Jeffrey Baron, Trustee

DENIS KLEINFELD, individually and on behalf of all officers, directors, managers, members and employees of the USVI Entities

JEANNE HUDSON, individually

BYRON DEAN, individually and as Sole Member of Manassas

BUD BRANSTETTER, individually and as Manager of Manassas

NINA DEVASSAL, individually and as Sole Member and Manager of Diamond Key, LLC

SHILOH, LLC

ATP NOMINEES LIMITED
EMITS DUTY AUTHORIZED OFFICER

By: _____
Name: ANGELA POPE & JOCELYN KATKRA
Title: _____

EXECUTION VERSION

JAVELINA, LLC

ATP NOMINEES LIMITED
BY ITS DULY AUTHORIZED OFFICER

By: _____
Name: _____
Title: _____
ATP NOMINEES LIMITED

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

ATP DIRECTORS LIMITED

By: _____
Name: _____
Title: _____
LESLEY KATO A & LISA IRO

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

ATP DIRECTORS LIMITED

By: _____
Name: _____
Title: _____
LESLEY KATO A & LISA IRO

MANILA INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

NETSPHERE, INC.

By: _____
Name: _____
Title: _____

HCB, LLC, a Delaware limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

EXECUTION VERSION

JAVELINA, LLC

By: _____
Name: _____
Title: _____

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

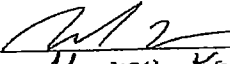
By: _____
Name: _____
Title: _____

THE VILLAGE TRUST

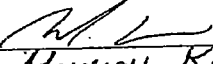
By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

MANILA INDUSTRIES, INC.

By:  _____
Name: MUNISH KRISHAN
Title: President

NETSPHERE, INC.

By:  _____
Name: MUNISH KRISHAN
Title: President

HCB, LLC, a Delaware limited liability
company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four
Points Management LLLP

By: _____
Name: _____
Title: _____

EXECUTION VERSION

MANILA INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

NETSPHERE, INC.

By: _____
Name: _____
Title: _____

HCB, LLC, a Delaware limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: Denis Klement
Title: MANAGER

HCB, LLC, a USVI limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

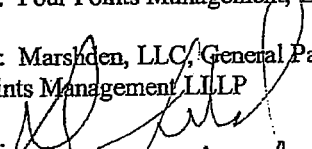
By: _____
Name: Denis Klement
Title: Manager

EXECUTION VERSION

**REALTY INVESTMENT MANAGEMENT,
LLC, a Delaware limited liability company**

By: Four Points Management, LLLP

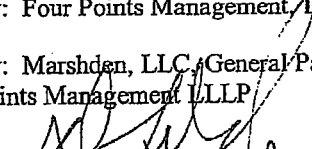
By: Marshden, LLC, General Partner of Four
Points Management LLLP

By: 
Name: Denis Kleinfeld
Title: MANAGER

**REALTY INVESTMENT MANAGEMENT,
LLC, a USVI limited liability company**

By: Four Points Management, LLLP

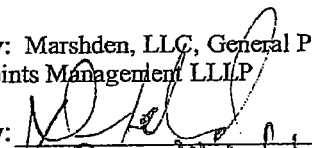
By: Marshden, LLC, General Partner of Four
Points Management LLLP

By: 
Name: Denis Kleinfeld
Title: MANAGER

SIMPLE SOLUTIONS, LLC

By: Four Points Management, LLLP

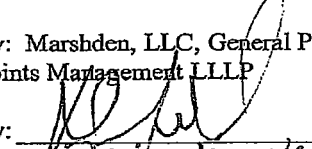
By: Marshden, LLC, General Partner of Four
Points Management LLLP

By: 
Name: Denis Kleinfeld
Title: MANAGER

SEARCH GUIDE, LLC

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four
Points Management LLLP

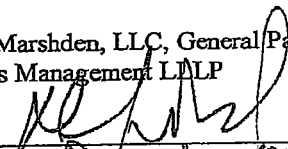
By: 
Name: Denis Kleinfeld
Title: MANAGER

EXECUTION VERSION

BLUE HORIZON LIMITED LIABILITY COMPANY

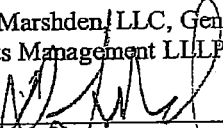
By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

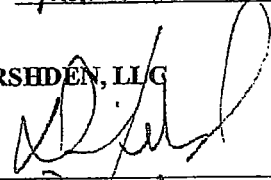
By: 
Name: Denis Kleinfeld
Title: MANAGER

FOUR POINTS MANAGEMENT, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: 
Name: Denis Kleinfeld
Title: MANAGER

MARSHDEN, LLC

By: 
Name: Denis Kleinfeld
Title: MANAGER

NOVO POINT, INC.

By: _____
Name: _____
Title: _____

IGUANA CONSULTING, INC.

By: _____
Name: _____
Title: _____

EXECUTION VERSION

BLUE HORIZON LIMITED LIABILITY COMPANY

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

FOUR POINTS MANAGEMENT, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

MARSHDEN, LLC

By: _____
Name: _____
Title: _____

NOVO POINT, INC.

By: Jeanne E. Hudson
Name: JEANNE E. HUDSON
Title: AUTHORIZED SIGNATORY BY PARTIES

IGUANA CONSULTING, INC.

By: Jeanne E. Hudson
Name: JEANNE E. HUDSON
Title: AUTHORIZED SIGNATORY BY PARTIES

EXECUTION VERSION

IGUANA CONSULTING, INC.

By: _____
Name: _____
Title: _____

QUANTEC, INC.

By: _____
Name: _____
Title: _____

NOVO POINT LLC

By: Novquant, LLC, Manager

ATP NOMINEES LIMITED
BY ITS DULY AUTHORIZED OFFICER
By: _____
Name: _____
Title: ANGELA POPE & JOCELYN KOTERA

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

ATP NOMINEES LIMITED
BY ITS DULY AUTHORIZED OFFICER
By: _____
Name: _____
Title: ANGELA POPE & JOCELYN KOTERA

QUANTEC LLC

By: Novquant, LLC, Manager

ATP NOMINEES LIMITED
BY ITS DULY AUTHORIZED OFFICER
By: _____
Name: _____
Title: ANGELA POPE & JOCELYN KOTERA

CALLINGCARDS.COM, LLC

By: _____
Name: _____
Title: _____

EXECUTION VERSION

QUANTEC, INC.

By: Jeanne E Hudson
Name: JEANNE E. HUDSON
Title: AUTHORIZED SIGNATORY BY PARTIES

NOVO POINT LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

QUANTEC LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

CALLINGCARDS.COM, LLC

By: _____
Name: _____
Title: _____

ID GENESIS, LLC

By: Netsphere, Inc., Sole Member

By: _____
Name: _____
Title: _____

EXECUTION VERSION

IGUANA CONSULTING, INC.

By: _____
Name: _____
Title: _____

QUANTEC, INC.

By: _____
Name: _____
Title: _____

NOVO POINT LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

QUANTEC LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

CALLINGCARDS.COM, LLC

By: Max Li
Name: MAX LI
Title: CEO

EXECUTION VERSION

ID GENESIS, LLC

By: Netsphere, Inc., Sole Member

By: M
Name: HUNISH KRISHAN
Title: President

DOMAIN JAMBOREE, LLC

By: _____
Name: _____
Title: _____

EQUITY TRUST COMPANY, a South Dakota trust company, as Custodian of IRA 19471 and as successor in interest of Mid Ohio Securities as Custodian of IRA 19471 .

By: _____
Name: _____
Title: _____

CHARLES ALDOUS, individually

JEFF RASANKY, individually

RON SHERIDAN, individually

EXECUTION VERSION

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

QUANTEC LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

CALLINGCARDS.COM, LLC

By: _____
Name: _____
Title: _____

ID GENESIS, LLC

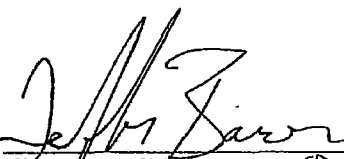
By: Netsphere, Inc., Sole Member

By: _____
Name: _____
Title: _____

DOMAIN JAMBOREE, LLC

By: Belton Trust, Sole Member

By Belton Trust, Sole Member 76

By: 

~~Jeffrey Baron, Trustee~~ by Jeffrey Baron, as Trustee
~~Jay Kline, Manager~~ of the Belton Trust as
Ordered by the Bankruptcy
Court in place of
Jay Kline

EQUITY TRUST COMPANY, a South
Dakota trust company, as Custodian of IRA
19471 and as successor in interest of Mid Ohio
Securities as Custodian of IRA 19471

DOMAIN JAMBOREE, LLC
By: Belton Trust, Sole Member

By: _____
Jeffrey Baron, Trustee

EQUITY TRUST COMPANY, a South Dakota trust company, as Custodian of IRA 19471 and as successor in interest of Mid Ohio Securities as Custodian of IRA 19471

By:  _____
Name: **Dan Youngers**
Title: _____

CORPORATE ALTERNATIVE SIGNER
CHARLES ALDOUS, individually

JEFF RASANKY, individually

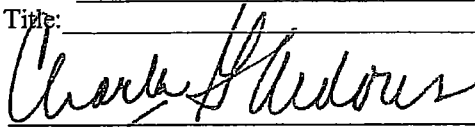
RON SHERIDAN, individually

DOMAIN JAMBOREE, LLC

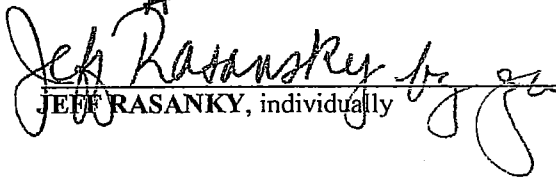
By: _____
Jay Kline, Manager

EQUITY TRUST COMPANY, a South
Dakota trust company, as Custodian of IRA
19471 and as successor in interest of Mid Ohio
Securities as Custodian of IRA 19471

By: _____
Name: _____
Title: _____



CHARLES ALDOUS, individually



JEFF RASANKY, individually

RON SHERIDAN, individually

EXECUTION VERSION

ID GENESIS, LLC

By: Netsphere, Inc., Sole Member

By: _____
Name: _____
Title: _____

DOMAIN JAMBOREE, LLC

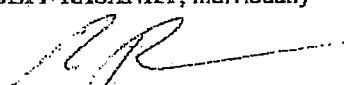
By: _____
Name: _____
Title: _____

EQUITY TRUST COMPANY, a South
Dakota trust company, as Custodian of IRA
19471 and as successor in interest of Mid Ohio
Securities as Custodian of IRA 19471

By: _____
Name: _____
Title: _____

CHARLES ALDOUS, individually

JEFF RASANKY, individually



RON SHERIDAN, individually

EXHIBIT A

Form of Security Agreement

NETSPHERE, INC.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Security Agreement"), effective as of _____, 2010 (the "Effective Date"), is made by NETSPHERE, INC., a Michigan corporation ("Maker"), MANILA INDUSTRIES, INC., a California corporation ("Manila") and ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands ("Payee").

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Manila, Payee and other parties named therein (the "Settlement Agreement"), Manila agreed to make the Deferred Payment (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Manila's obligations to make the Deferred Payment, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker's right, title and interest in the domain name *FreeSex.com*;

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Deferred Payment, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Security Agreement, the following terms shall have the following meanings:

"Collateral" shall mean all of Maker's right, title and interest in and to the domain name *FreeSex.com* (the "Domain Name"), but Collateral shall not include, and the Payee waives any right to, any Proceeds and Contract Rights, insurance proceeds, unearned premiums, tax refunds, rents, profits and products thereof or any content or other information which may be located at or appear on the website using this Domain Name.

"Contract Rights" shall mean any right to payment related to the Collateral.

"Deferred Payment Default" shall mean Manila's failure to pay the Deferred Payment in accordance with the Settlement Agreement, which failure remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker and Manila.

"Event of Default" shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Security Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker and Manila, or (ii) a Deferred Payment Default.

"GAAP" shall mean generally accepted accounting principles.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“**Proceeds**” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received by or owing to or generated by Maker or for the benefit of Maker when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“**Secured Obligations**” shall mean the obligation of Manila to pay the Deferred Payment and the obligations of Maker under this Security Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“**UCC**” shall mean the Uniform Commercial Code as in effect in the State of California.

“**Post-Default Deposits**” shall mean all Proceeds, Contract Rights, insurance proceeds, rents, profits and revenue of any type or character actually received by Maker generated from the Collateral (including but not limited to revenues generated from the lease or license of the Collateral) after the date of a Noticed Default (as defined in paragraph 8 hereof).

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Security Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Security Agreement (including, without limitation, in a bankruptcy proceeding).

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Deferred Payment remains outstanding and except as otherwise permitted under this Security Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral; provided, however that (i) Maker may, without Payee’s consent, sell, transfer, assign or otherwise dispose of the Collateral if the proceeds of such transaction are used to pay the Deferred Payment in full and in cash at the closing of any such transaction, and (ii) Maker may from time to time, without Payee’s consent, lease and/or license the rights to the Collateral so long as such lease or license remains subject to this Security Agreement and subordinate to Payee’s first lien on the Collateral.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Security Agreement:

(i) Organization and Corporate Power. Maker is a corporation validly existing and in good standing under the laws of Michigan.

(ii) Authorization: No Breach. The execution, delivery and performance of this Security Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Security Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker's capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Security Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Security Agreement or otherwise; and (iii) Payee's exercise of its rights under this Security Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Security Agreement (i) the California address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Michigan is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Security Agreement (i) none of its Collateral is covered by any certificate of title or subject to any lien or grant of any security interest other than the one created by this Security Agreement, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Security Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Except for expenditures of cash in the ordinary course of business or as otherwise permitted under Section 3(a) of this Security Agreement, Maker shall not sell, transfer, assign, convey or otherwise dispose of, or extend, amend, terminate or otherwise modify any material

term or provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect the Collateral.

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a first lien perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then so long as such Event of Default exists:

(a) If the Event of Default is a Deferred Payment Default or default under paragraph 3(a) hereof, then Payee's sole remedy for such default shall be to pursue a final, non-appealable judgment to permit the sale at public auction of the Collateral pursuant to Article 9 of the UCC to satisfy the Deferred Payment debt and/or to seek payment of the Deferred Payment debt, plus any fees and costs pursuant to paragraph 15(f) from the Post Default Deposits. The sale at public auction of the Collateral pursuant to Article 9 of the UCC shall occur only after notice and advertising of any sale at public auction has been published for at least sixty (60) days in advance of the sale date and notice must be provided to persons and entities as are required under Article 9

of the UCC for the conduct of a commercially reasonable sale at public auction. Additionally, any such sale at public auction must be conducted by one of the nationally recognized domain name auctioneers (or their successors) listed on Schedule 1 attached hereto, to the extent that such auctioneers are then in existence and in the business of conducting domain name auctions. If none of the auctioneers (or their respective successors) listed on Schedule 1 are then in existence or will agree to conduct the sale on sixty (60) days notice, then Payee must use such other auctioneer as would be required by Article 9 of the UCC for the conduct of a commercially reasonable sale at public auction. In the event that a sale of the Collateral and application of the Post-Default Deposits results in a surplus over and above the amount of the Deferred Payment debt plus any fees and costs pursuant to paragraph 15(f), then such surplus shall be paid within five (5) business days to Maker and, in the event that a sale of the Collateral results in a deficiency, then Payee shall have recourse for such deficiency against Manila. To the extent that Payee seeks payment of the Deferred Payment debt from the Post-Default Deposits, Manila shall be liable to Maker for the amount of Post-Default Deposits applied to the Deferred Payment debt.

(b) If the Event of Default is other than a Deferred Payment Default or default under paragraph 3(a), then Payee's sole remedy shall be to seek specific performance, including, but not limited to, preliminary injunctive relief and any attorneys fees permitted pursuant to subsection 15(f), by Maker of the warranty, covenant, agreement or term breached.

(c) It being understood in each instance referenced in clauses (a) and (b) above that Maker shall have no obligation to make any payment of the Deferred Payment to Payee, which shall at all times remain an obligation of Manila, and that Payee shall not have, nor be entitled to, any other right or remedy under this Security Agreement, the UCC or any other applicable law.

12. Agreement to Deposit Funds. In the event of an uncured Deferred Payment Default or a default under paragraph 3(a) hereof, and upon written notice to Maker by Payee pursuant to the terms hereof, and regardless of whether Maker contests whether such Deferred Payment Default or other default under paragraph 3(a) hereof has occurred or whether Maker asserts defenses to such alleged default, Maker agrees and it shall deposit into the registry of the United States District Court for the Northern District of Texas, in connection with the litigation described in paragraph 11 hereof, all Post Default Deposits. Maker agrees and stipulates that its obligation to make the Post Default Deposits, as described herein, shall be enforceable by injunctive relief without bond and without the need for Payee to demonstrate irreparable injury, such injury being stipulated and agreed to herein, and regardless of whether Maker asserts defenses to any of the defaults called by Payee hereunder; it being the intent of Maker and Payee that the right to the Post-Default Deposits should ultimately be adjudicated by the court which has jurisdiction of the claims asserted by Payee against Maker as referenced in paragraph 11 hereof, and pursuant to this Security Agreement. All payments by Maker of the Post-Default Deposits shall be made within five (5) business days from the date that they are received by Maker. Maker agrees and stipulates that it shall not divert any traffic from freesex.com or, upon the written notice to Maker by Payee pursuant to the terms hereof and after of a Deferred Payment Default or a default under paragraph 3(a) and regardless of whether Maker contests whether such Deferred Payment Default or other default under paragraph 3(a) hereof has occurred, that it shall not divert any revenue from feesex.com, all of which shall constitute Post Default Deposits. The obligation to make Post Default Deposits and prohibition against diverting revenues or traffic from freesex.com shall be enforceable by injunctive relief and based upon the stipulation and agreement of Maker that no bond shall be required for such injunctive relief, and no showing of irreparable injury shall be required, such irreparable injury being stipulated to by Maker herein.

13. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Security Agreement by Payee.

(b) To the extent that Manila makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Manila or a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Security Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party; provided that Maker shall have no obligation to make any payment of the Deferred Payment to Payee.

14. Defeasance. Upon payment in full of the Secured Obligations, this Security Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 14 which shall survive), and in such event Payee shall, at Payee's expense take all action necessary to terminate Payee's security interest in the Collateral. This Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

15. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Security Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Security Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

(c) This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Security Agreement by signing any such counterpart.

(d) THIS SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF CALIFORNIA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF CALIFORNIA.

EXECUTION VERSION

(e) This Security Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

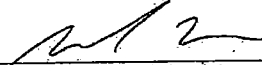
(f) If any action is brought to enforce or interpret the terms of this Security Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Security Agreement, whether related to its consummation, implementation, enforcement or otherwise. In the event that the Honorable Royal Furgeson is not available to hear a case related to this Security Agreement, then any other judge of the United States District Court for the Northern District of Texas shall have jurisdiction over such case.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

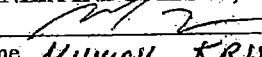
IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the Effective Date.

NETSPHERE, INC.

By: 
Name MUNICH KRISHAN
Title: President

Address:
Netsphere, Inc.
c/o Ravi Puri, Esq.
1300 Bristol Street North, Suite 200
Newport Beach, CA 92660

MANILA INDUSTRIES, INC.

By: 
Name MUNICH KRISHAN
Title: President

Address:
Manila Industries, Inc.
23312 Eagle Ridge
Mission Viejo, CA 92692

EXECUTION VERSION

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORISED OFFICER

By: _____

Name: Lisa Lisa

Title: LESLET KATEA LISA 120

Address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga.
Cook Islands

SCHEDULE 1 TO EXHIBIT A
List of Auctioneers

Auctioneer shall be one of the following (so long as it continues to conduct domain name auctions):

- 1) The legal entity that operates auctions via Sedo.com;
- 2) The legal entity that operates auctions via maltzauctions.com
- 3) Moniker Online Services, LLC (currently located at <http://domainauctions.moniker.com/>)
- 4) Rick Latona Auctions (currently located at <http://www.ricklatona.com/domains/>)

EXHIBIT B

Form of License Agreement

POKERSTAR.COM LICENSE AGREEMENT

THIS POKERSTAR.COM LICENSE AGREEMENT ("License Agreement"), effective as of the date of the last signature hereto ("Effective Date"), is by and between Asiatrust Limited as Trustee of the Village Trust ("Licensor"), and Netsphere, Inc., a Michigan corporation with its principal place of business at 1300 Bristol Street North, Suite 200, Newport Beach, CA 92660 ("Netsphere").

WHEREAS, Licensor represents and warrants that it is the sole registrant and owner of all rights (property, contract, copyright, and all other rights recognized in law) in the internet domain name Pokerstar.com and wishes to grant Netsphere an exclusive license to the Pokerstar.com domain name.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. DOMAIN LICENSE

1.1 License.

Licensor hereby grants to Netsphere, for the Term of this License Agreement, an exclusive license to the Pokerstar.com domain name, including, but not limited to, the exclusive right to use, in Netsphere's sole discretion, Pokerstar.com in any form of Online Business and including the right to sublicense. For purposes of this License Agreement, "Online Business" includes, but is not limited to, domain parking, monetization, and build out and/or operation of a website associated with the Pokerstar.com domain name. Nothing herein shall obligate Netsphere to operate, market, develop, or promote (including without limitation through search engine optimization, purchasing keywords, advertising, or any affiliate program) any Online Business or otherwise use the Pokerstar.com domain name during the Term of this License Agreement. Licensor shall have no right of control, participation, or management regarding the use or non-use of the Pokerstar.com domain name by Netsphere during the Term of this License Agreement. Licensor may not grant another license to the Pokerstar.com domain name during the Term without the written consent of Netsphere. Except as specifically provided herein, the ownership of all rights in the domain name Pokerstar.com will remain with the Licensor and are in no way transferred to Netsphere by virtue of the license granted in this License Agreement.

1.2 License Fee.

In exchange for the exclusive license granted to Netsphere, fifty percent (50%) of any revenue Netsphere receives from third parties via operation of any website at the address Pokerstar.com during the Term ("License Fee") shall be paid via wire transfer to Licensor (in accordance with the wire instructions provided by Craig Capua to John MacPete by email on June 7, 2010, by the 5th business day of each month for monies received (only includes actual receipts, not monies earned, for which exact copies of e-mails or online bank account activity statements indicating the relevant wire transfer receipts for the operation of any website at the address Pokerstar.com shall be provided) in the prior month (i.e. revenues earned in March will typically be paid to/received by Netsphere in April and, if received by Netsphere in April, the License Fee from revenues earned in March will then be paid to Licensor by the 5th business day of May). Netsphere shall retain the other fifty percent (50%) of any revenue it receives from third parties via operation of a website at the address Pokerstar.com ("Netsphere Payment"). Until such time as the Combined Pokerstar Revenue and the Additional Payment (as such terms are defined in the

Settlement Agreement entered into by the parties on July 2, 2010 ("Settlement Agreement") have been paid in accordance with Section 6.C. of the Settlement Agreement, payments of the License Fee will be made pursuant to Section 6.B and 6.C of the Settlement Agreement. If Licensor does not receive the License Fee within the time period discussed in this paragraph, Licensor shall notify Netsphere in writing. Within thirty (30) days of such notice ("Notice Period"), Netsphere shall attempt to cure by: i) sending Licensor a copy of the wire confirmation OR ii) sending any outstanding License Fee to Licensor. If Netsphere fails to cure within the Notice Period, within five (5) business days of the end of such Notice Period, Netsphere agrees to pay the License Fee and the Netsphere Payment into an escrow account held by Gracy Title Company until the dispute is resolved. Additionally, if Netsphere utilizes the Notice Period, due to Netsphere's sole fault, more than two (2) times during any calendar year, it shall pay Licensor the amount of two hundred fifty dollars (\$250) ("Penalty Amount") for each Notice Period utilized in excess of two (2) times during such calendar year. This Penalty Amount does not apply if the additional Notice Period(s) utilized by Netsphere were not caused by Netsphere's failure to pay any outstanding License Fee.

1.3 Domain Renewal.

During the Term, Licensor agrees to continue to renew Pokerstar.com at its own cost, with renewal to be completed at least thirty-five (35) days prior to the expiration of any registration period. If Licensor fails to renew Pokerstar.com at least thirty-five (35) days prior to the expiration of any registration period, Netsphere shall notify Licensor in writing. Within 5 days of such notice ("Renewal Notice Period"), Licensor shall attempt to cure by renewing the registration period for Pokerstar.com. If Licensor fails to cure within the Renewal Notice Period, Netsphere may renew the registration on Licensor's behalf and, in such event, Netsphere may deduct the renewal fee plus a Twenty Five Thousand Dollar (\$25,000) penalty from the next License Fee(s) owed to Licensor. If Netsphere exercises its right to renew the registration of Pokerstar.com, if Pokerstar.com's registrar refuses to perform the renewal, Licensor and Pokerstar.com's registrar agree that Netsphere shall be entitled to specific performance and a mandatory preliminary and permanent injunction without any bond requirement and without prior notice to Licensor, its registrar, and/or any other third party, requiring renewal of the Pokerstar.com domain for a minimum term of one (1) year (or longer, if requested and paid for by Netsphere). Any costs, fees and attorney's fees incurred by Netsphere to obtain such injunctive relief shall be deducted from the next License Fee(s) owed to Licensor until such costs, fees, and attorney's fees are fully recovered.

1.4 Nameserver Change.

During the Term, Licensor agrees to only point the nameservers and/or IP addresses for Pokerstar.com to those nameservers and/or IP addresses requested by Netsphere (in its sole discretion) in writing (including via e-mail). Other nameservers and/or IP addresses not authorized and/or requested by Netsphere are not permitted. Any request by Netsphere to Licensor for an update to the nameserver and/or IP address for Pokerstar.com shall be completed by Licensor (or its registrar) within twenty-four (24) business hours (based on eight (8) hours per business day) of such request. If, during the Term, Licensor, the registrar for Pokerstar.com, or any other third party ("Licensor Parties") removes and/or directs the nameservers and/or IP addresses for Pokerstar.com to nameservers and/or IP addresses not authorized or consented to by Netsphere in writing ("NS Removal"), Netsphere shall send notice ("Nameserver Notice") to Licensor pursuant to the instructions provided by Licensor in an email to Ravi Puri dated July 1, 2010. Within twenty-four (24) business hours (based on eight (8) hours per business day) of the Nameserver Notice ("NS Notice Period"), the Licensor Parties shall update the nameservers and/or IP addresses for Pokerstar.com as requested by Netsphere ("NS Update"). Licensor Parties and any entity and/or individual acting with or without the consent of Licensor agree that Netsphere shall also be entitled to specific performance and a mandatory preliminary and permanent injunction requiring the NS Update without any bond requirement and without prior notice to the Licensor Parties. If Licensor Parties fail to

perform the NS Update within twelve (12) business hours, or immediately if Licensor Parties utilize the NS Notice Period more than two (2) times during any calendar year, it shall pay Netsphere an amount, equal to the revenue for the subject number of days (any partial days shall be rounded up to the next whole number) multiplied by fifty percent (50%), Pokerstar.com has not been directed to a Netsphere requested nameserver and/or IP address multiplied by the highest revenue earned for one day in the most recent 30 days prior to the day the nameservers and/or IP addresses were not directed to a Netsphere requested nameserver and/or IP address less fifty percent (50%) of any monies received by Netsphere for Pokerstar.com for the day(s) the nameservers and/or IP addresses were not directed (regardless of when received) as requested by Netsphere PLUS any reasonable costs, fees and attorney's fees incurred by Netsphere to obtain injunctive relief, if any, shall be deducted from the next License Fee(s) owed to Licensor until the costs, fees, attorney's fees, and penalty(ies) are fully recovered.

1.5 Intellectual Property Rights.

a. Netsphere and its advertisers, affiliates, service providers and suppliers will retain ownership of their intellectual property, including, but not limited to, patent, trademark, trade secret, and copyrights ("Intellectual Property"). All material available and/or published on a website at the address Pokerstar.com, via the nameservers and/or IP addresses that Netsphere has requested Licensor to point towards, including, but not limited to, written content, photographs, graphics, images, illustrations, marks, logos, sound or video clips, and flash animation, is protected by intellectual property rights, including, but not limited to, patent, copyright, trademark and trade secret (collectively "PS Content") and is the sole property of Netsphere or its advertisers, affiliates, service providers and/or suppliers.

b. Licensor agrees that it is not authorized or licensed to use the PS Content and/or the Intellectual Property that is used on or in connection with a website at the address Pokerstar.com and will not make a claim to any rights to or ownership of the PS Content and/or any Intellectual Property that is used on or in connection with a website at the address Pokerstar.com. Licensor will not: (1) adapt, alter, broadcast, circulate, copy, create derivative works of, display, dispose, distribute, disseminate, edit, electronically transfer, exploit, lease, license, loan, make available, modify, publish, register, rent, reproduce, retransmit, revise, sell, sublicense, translate, or use any PS Content and/or Intellectual Property; (2) reverse engineer, decompile, reverse compile, or disassemble any PS Content and/or Intellectual Property in whole or in part; (3) use any information obtained by crawling and/or spidering the website at the address Pokerstar.com (including, but not limited to the search results and any other content); and/or (4) authorize any other person or entity to do any of the foregoing.

1.6 Term and Termination.

a. Unless earlier terminated as set forth herein, the original term of this License Agreement shall extend for twenty-five (25) years from the Transfer Date as set forth in the Settlement Agreement and any subsequent renewal of this License Agreement for any period of time shall be agreed to in writing by both parties at least thirty (30) days prior to the end of the original or any subsequent term. The original term and any and all renewal terms are included within the meaning of "Term" as used herein.

b. Licensor may terminate this License Agreement only if the monthly funds received by Licensor from Netsphere fall below Twelve Thousand Five Hundred United States Dollars (\$12,500) per month for six (6) consecutive months. If Licensor elects to exercise its option to terminate under this provision, Licensor shall provide Netsphere with thirty (30) days written notice of termination.

c. Unless otherwise agreed to in this paragraph 1.6, this License Agreement may not be terminated for any reason, including, but not limited to, an alleged breach of this License Agreement or the Settlement Agreement.

1.7 No Warranties.

Nothing in this License Agreement shall be deemed to be a warranty, express or implied, by Netsphere as to Netsphere's performance under this License Agreement and/or the performance of any Online Business related to the Pokerstar.com domain. Netsphere shall not owe Licensor any fiduciary duties or other duties that are not expressly provided in this License Agreement.

1.8 Records; Auditing.

During the Term of the License Agreement, Licensor shall have the right, upon at least fifteen (15) business days prior written notice, during normal business hours, through an independent auditor, to examine and audit Netsphere's books and records for the preceding twelve (12) months (as of the date of the audit) relating solely to the operation of a website at the address Pokerstar.com and the revenue received therefrom (the "Records"), which books and records shall be kept and maintained by Netsphere in accordance with generally accepted accounting principles, consistently applied, separate and apart from the books and records for Netsphere's other business operations. Except in the case of an uncured default hereunder, Licensor may exercise such right no more than one (1) time per calendar year. The cost of any such examination and audit shall be paid by Licensor, except that, if it is determined on the basis of such audit (or if, in accordance with the following provisions, it is otherwise ultimately determined) that Netsphere's revenues received for the period audited were understated by more than five percent (5%), then the reasonable cost of the audit shall be paid by Netsphere and Netsphere shall immediately pay Licensor any sums due as a License Fee for the subject audit period.

1.9 Notice.

The parties agree that for purposes of notice, the names, e-mails, and facsimile numbers to receive notice under this License Agreement may be changed subject to such information being provided to the other party at least ten (10) days prior to the effective date of the change.

2. CONFIDENTIALITY

To the extent that the terms of this License Agreement are confidential and, except as required by law, each of Licensor and Netsphere agree not to disclose the terms of this License Agreement to anyone other than their officers, directors, attorneys, accountants, or pursuant to the formal request of any law enforcement or administrative agency or a subpoena or order of a court, or as necessary to enforce its rights or obligations under this License Agreement (the "Non-Disclosure Obligations"). Furthermore, in the event of any formal request of any law enforcement or administrative agency or a subpoena or order of court, Licensor and Netsphere must use diligent reasonable efforts to limit each disclosure of confidential information and notify the other party prior to disclosure, when permitted by law, so that either (or both) party may seek confidential treatment or a protective order preventing such disclosure. The parties' Non-Disclosure Obligations include, without limitation, refraining from publishing or issuing any press releases, news articles or external bulletins, and refraining from posting any statements on the Internet that are accessible by third parties, or sending any e-mails or other correspondence to a third party regarding the confidential terms of this License Agreement.

3. GENERAL

3.1 No Third Party Beneficiaries.

This License Agreement is made solely for the benefit of the parties to this License Agreement and their respective successors and assigns, and no other person or entity shall have or acquire any right by virtue of this License Agreement

3.2 No Inducement.

No party has been induced to enter into this License Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this License Agreement.

3.3 No Waiver.

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this License Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

3.4 Force Majeure.

If any party delays or fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor, materials or supplies or reasonable substitutes for labor, materials or supplies, governmental restrictions, government regulations, governmental controls, judicial orders, enemy or hostile governmental action, terrorism, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused provided, that the party whose performance is affected by any such event gives the other party written notice thereof within ten (10) business days of such event or occurrence.

3.5 Severability.

If a court or an arbitrator of competent jurisdiction holds any provision of this License Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

3.6 Entire Agreement and Independent Counsel.

This License Agreement, including all terms incorporated by reference, is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding and terminating any prior agreements and communications (both written and oral) regarding such subject matter. This License Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. Each party has been represented by counsel (or had the opportunity for same) and the provisions hereof shall not be construed more harshly against either party as a result of drafting responsibilities. If any action is brought to enforce or interpret the terms of this License Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.7 Independent Contractors.

The parties are independent contractors and not joint venturers. Neither party shall be deemed to be an employee, employer, partner, distributor, joint venturer, agent, or legal representative of the other party hereto for any purpose and neither party hereto shall have any right, power or authority to assume or create any obligation or responsibility on behalf of the other party hereto nor shall this be deemed an exclusive or fiduciary relationship.

3.8 Counterparts.

This License Agreement may be executed in two or more counterparts, each of which shall be an original or faxed copy and all of which together shall constitute one instrument. Facsimile signatures shall have the same force and effect as original signatures.

3.9 Descriptive Headings.

The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this License Agreement.

3.10 Taxes.

Each party shall be responsible for its own tax filings, preparation, and payments as it may relate to their respective value added tax (V.A.T.), federal, state, or local tax or any other tax imposed by any governmental entity with taxing authority related to the respective parties.

3.11 Survival.

Paragraphs 1.2 (with respect to fees incurred as of the date of termination), 1.3 (with respect to fees incurred as of the date of termination), 1.4 (with respect to fees incurred as of the date of termination), 1.5 and 2 shall survive expiration of the Term or earlier termination of this License Agreement.

IN WITNESS WHEREOF, each party through its duly authorized representative has executed this License Agreement as of the Effective Date:

NETSPHERE, INC.

ASIATRUST LIMITED AS TRUSTEE OF
THE VILLAGE TRUST

By: Munish
Name: MUNISH KRISHAN
Title: President
Date: 7-9-2010

By: _____
Name:
Title:
Date:

3.7 Independent Contractors.

The parties are independent contractors and not joint venturers. Neither party shall be deemed to be an employee, employer, partner, distributor, joint venturer, agent, or legal representative of the other party hereto for any purpose and neither party hereto shall have any right, power or authority to assume or create any obligation or responsibility on behalf of the other party hereto nor shall this be deemed an exclusive or fiduciary relationship.

3.8 Counterparts.

This License Agreement may be executed in two or more counterparts, each of which shall be an original or faxed copy and all of which together shall constitute one instrument. Facsimile signatures shall have the same force and effect as original signatures.

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IN WITNESS WHEREOF, each party through its duly authorized representative has executed this License Agreement as of the Effective Date:

NETSPHERE, INC.

By: _____
Name:
Title:
Date:

ASIATRUST LIMITED AS TRUSTEE OF
THE VILLAGE TRUST

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORIZED OFFICER
By: *[Signature]*
Name: LESLEY KATOR & LISA RO
Title:
Date: 9th July, 2010

EXHIBIT C

Form of Pokerstar Security Agreement

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement"), effective as of _____, 2010 (the "Effective Date"), is made by ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands ("Maker"), and DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION ("Payee").

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Maker, Payee and other parties named therein (the "Settlement Agreement"), Maker agreed to make the Additional Payment (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Maker's obligations to make the Additional Payment, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker's right, title and interest in the domain name *pokerstar.com*, which shall be subordinate to the Pokerstar.com License Agreement under the Settlement Agreement ("Pokerstar License");

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Additional Payment, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"**Additional Payment Default**" shall mean Maker's failure to pay the Additional Payment in accordance with the Settlement Agreement, which failure remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker.

"**Collateral**" shall mean all of Maker's right, title and interest in and to the domain name *pokerstar.com* (the "Domain Name"), but Collateral shall not include, and the Payee waives any right to, any Proceeds and Contract Rights, insurance proceeds, unearned premiums, tax refunds, rents, profits and products thereof or any content or other information which may be located at or appear on the website using this Domain Name.

"**Contract Rights**" shall mean any right to payment related to the Collateral.

"**Event of Default**" shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker, or (ii) an Additional Payment Default.

"**GAAP**" shall mean generally accepted accounting principles.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“**Pokerstar Escrow Agreement**” shall have the meaning attributed to such term in the Settlement Agreement.

“**Proceeds**” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“**Secured Obligations**” shall mean the obligation of Maker to pay the Additional Payment and the obligations of Maker under this Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“**UCC**” shall mean the Uniform Commercial Code as in effect in the State of Texas.

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral which shall be subordinate to the Pokerstar.com License. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Agreement (including, without limitation, in a bankruptcy proceeding) except that such security interests and liens shall be subordinate to the Pokerstar.com License.

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Additional Payment remains outstanding and except as otherwise permitted under this Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral; provided, however that (i) Maker may, without Payee’s consent, sell, transfer, assign or otherwise dispose of the Collateral if the proceeds of such transaction are used to pay the Additional Payment in full, and (ii) Maker may from time to time, without Payee’s consent, sublease and/or sublicense the rights to the Pokerstar.com License (but not re-register the Collateral in violation of the Settlement Agreement) so long as such sublease or sublicense remains subject to this Agreement and subordinate to Payee’s lien on the Collateral.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Agreement:

(i) Organization and Corporate Power. Maker is a trust validly existing and in good standing under the laws of the Cooks Islands.

(ii) Authorization; No Breach. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker's capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Agreement, unless and until the Collateral is transferred to Payee pursuant to the terms of the Pokerstar Escrow Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Agreement or otherwise; and (iii) Payee's exercise of its rights under this Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Agreement (i) the address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Cook Islands is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Agreement (i) none of its Collateral is covered by any certificate of title, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations and the Pokerstar.com License.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations and the Pokerstar.com License), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, which is subordinate to the Pokerstar.com License, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Except for expenditures of cash in the ordinary course of business or as otherwise permitted under Section 3(a) of this Agreement, Maker shall not sell, transfer, assign, convey or otherwise dispose of, or extend, amend, terminate or otherwise modify any material term or

provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties. Payee shall be deemed to have exercised reasonable care in the preservation and custody of the portion of the Collateral as may be in Payee's possession if Payee takes such action as Maker shall reasonably request in writing; provided, such requested action shall not, in the judgment of Payee, impair Payee's prior security interest in such Collateral or its rights in or the value of such Collateral and, provided further, that such written request is received by Payee in sufficient time to permit Payee to take the requested action.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect the Collateral.

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor, except with respect to the Pokerstar.com License, to which its security interest is subordinate.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then so long as such Event of Default exists, (i) if the Event of Default is an Additional Payment Default, then Payee's sole remedy for such Additional Payment Default shall be to pursue a final, non-appealable judgment to cause the transfer of the Domain Name in accordance with the provisions of the Pokerstar Escrow Agreement, and (ii) if the

Event of Default is other than an Additional Payment Default, then Payee's sole remedy shall be to seek specific performance, including, but not limited to, preliminary injunctive relief and any attorneys fees permitted pursuant to subsection 14(f), by Maker of the warranty, covenant, agreement or term breached, it being understood in each instance referenced in clauses (i) and (ii) above that Payee shall not have, nor be entitled to, any other right or remedy under this Agreement, the UCC or any other applicable law.

12. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, or the Pokerstar Escrow Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Agreement by Payee.

(b) To the extent that Maker makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Maker or a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party..

13. Defeasance. Upon payment in full of the Secured Obligations, this Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 13 which shall survive), and in such event Payee shall, at Payee's expense and without recourse, representation or warranty, redeliver and reassign to Maker the Collateral, terminate the Pokerstar Escrow Agreement in accordance with its terms and take all action necessary to terminate Payee's security interest in the Collateral. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

EXECUTION VERSION

(c) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(d) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS.

(e) This Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

(f) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

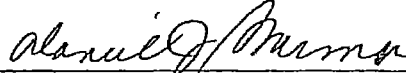
(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

[Remainder of page intentionally left blank]

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.



DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:

Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST

By: Asiatrusted Limited, Its Trustee

By: _____

Name: _____

Title: _____

Address:

Asiatrusted Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:
Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST

By: Asiatrusted Limited, Its Trustee

By: ATP DIRECTORS LIMITED
BY ITS DULY AUTHORISED OFFICER
LESLEY KAITOA LISA IRO
Name: LESLEY KAITOA LISA IRO
Title: _____

Address:
Asiatrusted Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXHIBIT D

Form of Pokerstar Escrow Agreement

DOMAIN NAME ESCROW AGREEMENT

ESCROW NO. _____
BY AND AMONG
DANIEL J. SHERMAN, TRUSTEE,
ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST
AND GRACY TITLE COMPANY

TO: Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer
Telephone: (512) 322-8728
Fax: (512) 472-3101
Email: elizabeth@gracytitle.com

THIS DOMAIN NAME ESCROW AGREEMENT ("Agreement") is made and entered into effective as of _____, 2010 (the "Effective Date"), by and among DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION (the "Chapter 11 Trustee"), ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST ("Maker") and GRACY TITLE COMPANY, a Texas corporation ("Escrow Agent"). The parties hereby agree as follows:

1. The Chapter 11 Trustee, Asiatruster and other parties named therein entered into that certain Mutual Settlement and Release Agreement dated July 2, 2010 (the "Settlement Agreement"), which provides for Maker to execute and deliver the Pokerstar Assignment (as defined in the Settlement Agreement) in escrow to secure Maker's payment of the Additional Payment (as defined in the Settlement Agreement).

2. Escrow Agent has agreed to serve in a depository capacity and as a stakeholder only, on and subject to the terms and provisions set forth in this Agreement.

3. In accordance with the Settlement Agreement, Maker will deposit in escrow, and the Escrow Agent agrees to receive and hold, the Pokerstar Assignment for the benefit of the Chapter 11 Trustee.

4. Upon receipt of (i) Maker's dated and signed notice in the form attached hereto as Schedule 1 (the "Default Notice") and (ii) a judgment ("Judgment") from either the U.S. Bankruptcy Court for the Northern District of Texas or the U.S. District Court for the Northern District of Texas, which judgment the Chapter 11 Trustee represents to be a final and non-appealable judgment, ordering the Escrow Agent to date and deliver the Pokerstar Assignment to the Chapter 11 Trustee, then (provided Maker has not objected to delivery of the Assignment by written notice delivered the Chapter 11 Trustee

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and Escrow Agent within ten (10) business days after the date of the Default Notice on the grounds that the subject judgment is not final and non-appealable), Escrow Agent agrees, promptly after expiration of the subject ten (10) business day period, to date the Assignment and deliver it to Chapter 11 Trustee. Provided that if Escrow Agent receives a dated and signed release request in the form attached hereto as Schedule 2 (the "Release Notice"), Escrow Agent shall promptly return the Assignment to Maker.

5. The parties hereto recognize, acknowledge, covenant and agree that the following terms and provisions shall control with respect to the rights, privileges, duties, liabilities and immunities of Escrow Agent hereunder:

(a) Escrow Agent is acting solely in the role of a depository hereunder.

(b) Escrow Agent shall not be responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the subject matter of the escrow hereby established, or any portion thereof, or for the form or execution thereof, or for the identity or authority of any person executing or depositing the same.

(c) Escrow Agent is hereby authorized to rely upon, and shall be protected in acting upon, any written notice, statement, waiver, consent, certificate, affidavit, receipt, authorization, power of attorney or other instrument or document which Escrow Agent in good faith believes to be genuine and what it purports to be.

(d) In accepting any documents delivered to Escrow Agent hereunder, it is agreed and understood that Escrow Agent will not be called upon to construe any contract, instrument or document deposited herewith or submitted hereunder, but only to follow the specific instructions provided for pursuant to this Agreement.

(e) Except for this Agreement, Escrow Agent is not a party to, and shall not be bound by, any agreements by and among Chapter 11 Trustee and Maker.

(f) Escrow Agent shall not be liable for anything which it may do or refrain from doing in connection herewith, except due directly to its own negligence or willful misconduct.

(g) In the event of any disagreement between any of the parties to this Agreement, or between them or either or any of them and any other person or party, resulting in adverse and/or conflicting claims or demands being made in connection with the subject matter of this escrow, or in the event that Escrow Agent, in good faith, is in doubt as to what action it should take hereunder, Escrow Agent may, in its sole discretion, refuse to comply with any claims or demands made upon it, or refuse to take any other action hereunder, or interplead this agreement into the U.S. District Court for the Northern District of Texas, so long as such disagreement continues or such doubt exists, and in such event Escrow Agent shall not be or become liable in any way or to any person or party for its failure or refusal to act, and Escrow Agent shall be entitled to continue to so refrain from acting until (i) the rights of all interested parties shall have been fully and finally adjudicated by either the U.S. Bankruptcy Court for the Northern District of Texas or the U.S. District Court for the Northern District of Texas or (ii) all differences shall have been adjusted and all doubt resolved by agreement among all of the interested parties and Escrow Agent shall have been notified thereof in writing signed by all such parties.

6. For its ordinary services hereunder, Escrow Agent shall be entitled to a fee of \$100.00, payable by Maker concurrently with Escrow Agent's execution hereof.

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7. Any notice, report or demand required, permitted or desired to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes on the day sent by nationally recognized overnight courier or when telefaxed by confirmed facsimile, addressed to (i) Escrow Agent at the address on the first page hereof, and (ii) the Chapter 11 Trustee and Asiatrust as follows:

If to Maker: Asiitrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands
Phone: 011-682-2338
Fax: 011-682-2338

If to the Chapter 11 Trustee: Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

8. Facsimile signatures appearing hereon shall be deemed an original and this document may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9. This Agreement constitutes the entire agreement and understanding among Maker, the Chapter 11 Trustee and Escrow Agent with respect to the Assignment. No subsequent alteration, amendment, change, deletion or addition to this Agreement shall be binding or effective unless the same shall be in writing and signed by all parties to this Agreement.

10. This Agreement shall be governed by and construed under and in accordance with the laws of the State of Texas, without resort to conflicts of law principles.

11. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

12. Time is of the essence with respect to this Agreement.

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MAKER:

THE VILLAGE TRUST
By: Asiatrust Limited, Its Trustee

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORIZED OFFICER
By: *Lesley Kato*
Name: LESLEY KATO # LISA 120
Title: _____

CHAPTER 11 TRUSTEE:

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

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MAKER:

THE VILLAGE TRUST

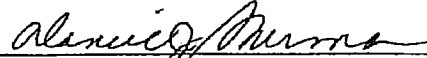
By: Asiatrusted Limited, Its Trustee

By: _____

Name: _____

Title: _____

CHAPTER 11 TRUSTEE:



DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

ESCROW RECEIPT

Escrow Agent hereby acknowledges receipt of this Agreement and of the original of the Pokerstar Assignment referenced therein and agrees to hold and dispose of the same in accordance with the terms and provisions of this Agreement.

Dated: 8/13, 2010

ESCROW AGENT:

Gracy Title Company

By

Elizabeth Young

Sr. Commercial Escrow Officer

SCHEDULE 1 TO EXHIBIT D - ESCROW AGREEMENT

Form of Default Notice

_____, 20__

**BY CERTIFIED MAIL, RETURN
RECEIPT REQUESTED**

Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer

RE: Escrow No. _____ ("Escrow") by and between Daniel J. Sherman, Trustee (the "Chapter 11 Trustee"), Asiatrust Limited as Trustee of the Village Trust ("Asiatrust") and Gracy Title Company ("Escrow Agent")

Dear Ms. Young:

Pursuant to the referenced Escrow, the Chapter 11 Trustee hereby (i) advises Escrow Agent that the _____ [*name of court issuing order*] has issued the attached judgment ("Judgment") ordering Escrow Agent to date and deliver the Pokerstar Assignment to the Chapter 11 Trustee; (ii) represents to Escrow Agent that the Judgment is final and non-appealable; and (iii) instructs Escrow Agent to take the following action on the eleventh (11th) business day after the date Escrow Agent receives this notice:

1. Date the Pokerstar Assignment as of the date of Escrow Agent's receipt of this notice;
2. Mail the Assignment to the Chapter 11 Trustee by certified mail, return receipt requested, to the following address:

Daniel J. Sherman, Trustee for Ondova Limited
Company
509 N. Montclair Avenue
Dallas, Texas 75208

3. Mail a copy of this notice and of Escrow Agent's transmittal pursuant to Section 2 above (inclusive of a copy of the dated Assignment) to Asiatrust by certified mail, return receipt requested, to the following addresses:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

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Sincerely,

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

cc: Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659
(via certified mail, return receipt requested)

SCHEDULE 2 TO EXHIBIT D - ESCROW AGREEMENT

Form of Request Notice

_____, 20__

**BY CERTIFIED MAIL, RETURN
RECEIPT REQUESTED**

Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer

RE: Escrow No. _____ ("Escrow") by and between Daniel J. Sherman,
Trustee (the "Chapter 11 Trustee"), Asiatrust Limited as Trustee of the Village Trust
(the "Asiatrust") and Gracy Title Company ("Escrow Agent")

Dear Ms. Young:

Pursuant to the referenced Escrow, the Chapter 11 Trustee and Asiatrust hereby (i) advise Escrow Agent that Asiatrust has satisfied its obligations pursuant to that certain Security Agreement dated _____, 2010, from Asiatrust, as Maker, and the Chapter 11 Trustee, as Payee, and (ii) instruct Escrow Agent to promptly return the Pokerstar assignment to Asiatrust by certified mail, return receipt requested, to the following address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

Sincerely,

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

cc: Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659
(via certified mail, return receipt requested)

EXHIBIT E

Form of Pokerstar Assignment

ASSIGNMENT

STATE OF _____
COUNTY OF _____

§
§
§

KNOW ALL BY THESE PRESENTS

WHEREAS, THE VILLAGE TRUST, a Cook Islands trust ("Assignor"), is the owner and holder of the domain name *pokerstar.com* (the "Name"); and

WHEREAS, Assignor desires to sell, assign, and transfer the Name to DANIEL J. SHERMAN, CHAPTER 11 TRUSTEE FOR ONDOVA LIMITED COMPANY ("Assignee"); and

WHEREAS, Assignee desires to acquire the Name from Assignor;

NOW, THEREFORE, FOR VALUE RECEIVED:

1. Assignor hereby sells, assigns and transfers the name, and all right, title and interest of Assignor in and to the Name, subject to the Pokerstar.com License Agreement under the Settlement Agreement, unto Assignee, its successors and assigns, forever, and Assignor covenants and agrees, on Assignor's behalf, and on behalf of Assignor's successors and assigns, to warrant and forever defend the title to the Name, and all such right, title and interest, against the claims and demands of all persons.

2. Assignor hereby (i) represents to Assignor that it (a) owns the Name free and clear of any liens or encumbrances, except for the Pokerstar.com License Agreement under the Settlement Agreement, (b) has full power and authority to sell, assign and transfer the Name to Assignee pursuant to this Assignment, and (c) has taken all action required for the effectuation of the sale, assignment and transfer of the Name to Assignee pursuant to this Assignment.

3. The undertakings and covenants contained in this Assignment shall be binding upon, and inure to the benefit of, Assignee, its successors and assigns.

4. This Assignment shall be governed by and construed under the substantive laws of the State of Texas, without resort to conflict of laws principles.

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EXECUTED on the ___ day of _____, 2010.

ASSIGNOR:

THE VILLAGE TRUST

By: Asiatrust Limited, its Trustee

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORIZED OFFICER

By: [Signature]

Name: LEISLEY KATOA - LISA IRO

Title: _____

STATE OF RAROTONGA §
COUNTY OF COOK ISLANDS §

This instrument was acknowledged before me on 9th July, 2010, by Lesley Katoa & Lisa Iro of Asiatrust Limited, Trustee of The Village Trust, a Cook Islands trust, on behalf of said trust.



[Signature]
Notary Public, State of KAROLINGA

EXHIBIT F

Form of Blue Horizon Security Agreement

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement"), effective as of _____, 2010 (the "Effective Date"), is made by ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands ("Maker"), and DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION ("Payee").

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Maker, Payee and other parties named therein (the "Settlement Agreement"), Maker agreed to make the Monthly Payments (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Maker's obligations to make the Monthly Payments, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker's revenues generated from monetization of the domain names in the Blue Horizon Portfolio (as defined below);

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Monthly Payments, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"**Blue Horizon Portfolio**" shall mean any and all domain names that previously were registered through Ondova Limited Company, exclusive of the Even Group Portfolio (as defined in the Settlement Agreement), the Odd Group Portfolio (as defined in the Settlement Agreement) and any domain name not registered through or at Ondova Limited Company as of February 22, 2010, and exclusive of *pokerstar.com*, *servers.com*, the Excluded Disputed Domains (as defined in the Settlement Agreement), any Disposed Names (as defined in the Settlement Agreement) and any Released Names (as defined in the Settlement Agreement).

"**Collateral**" shall mean all of Maker's right, title and interest in and to the revenues generated from monetization of the domain names Blue Horizon Portfolio.

"**Contract Rights**" shall mean any right to payment related to the Collateral.

"**Event of Default**" shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker, or (ii) Maker's failure to timely pay a Monthly Payment.

“GAAP” shall mean generally accepted accounting principles.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“Proceeds” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“Secured Obligations” shall mean the obligation of Maker to pay the Monthly Payments and the obligations of Maker under this Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“UCC” shall mean the Uniform Commercial Code as in effect in the State of Texas.

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Agreement (including, without limitation, in a bankruptcy proceeding).

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Monthly Payments or any portion thereof remains outstanding and except as otherwise permitted under this Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Agreement:

(i) Organization and Corporate Power. Maker is a trust validly existing and in good standing under the laws of the Cooks Islands.

(ii) Authorization: No Breach. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker’s capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or

other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Agreement or otherwise; and (iii) Payee's exercise of its rights under this Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Agreement (i) the address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Cook Islands is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Agreement (i) none of its Collateral is covered by any certificate of title, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Maker shall not sell, transfer, assign, convey or otherwise dispose of, or extend, amend, terminate or otherwise modify any material term or provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties. Payee shall be deemed to have exercised reasonable care in the preservation and custody of the portion of the Collateral as may be in Payee's possession if Payee takes such action as Maker shall reasonably request in writing; provided, such requested action shall not, in the judgment of Payee, impair Payee's prior security interest in such Collateral or its rights in or the value of such Collateral and, provided further, that such written request is received by Payee in sufficient time to permit Payee to take the requested action.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect records relating to the Collateral (including, without limitation, monetization agreements with third parties).

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then Payee shall have the right to (i) file the Agreed Order (as defined in the Settlement Agreement), and (ii) require any monetizer of the Collateral to directly pay such revenue to Payee.

12. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the

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benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Agreement by Payee.

(b) To the extent that Maker makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Maker or a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party.

13. Defeasance. Upon payment in full of the Secured Obligations, this Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 13 which shall survive), and in such event Payee shall, at Payee's expense and without recourse, representation or warranty, redeliver and reassign to Maker the Collateral and take all action necessary to terminate Payee's security interest in the Collateral. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

(c) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(d) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS.

(e) This Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

(f) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

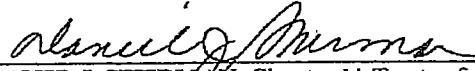
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(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

(i) Maker may prepay the Monthly Payments at any time, without penalty.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.



DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:
Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST
By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

Address:
Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:

Daniel J. Sherman, Trustee:
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST

By: Asiatrusted Limited, Its Trustee

By: **ATP DIRECTORS LIMITED**
BY ITS DULY AUTHORIZED OFFICER
LESLEY KAPOA & LISA IRO
Title: _____

Address:

Asiatrusted Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXHIBIT G

Form Of Agreed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	CASE NO. 09-34784-SGJ-11
ONDOVA LIMITED COMPANY,	§	
	§	CHAPTER 11
DEBTOR.	§	
	§	

AGREED ORDER DIRECTING PAYMENT OF MONETIZATION FUNDS TO TRUSTEE

At Dallas, Texas, in said District, pursuant to the Order entered on July __, 2010, approving the Trustee's Motion for Approval of Settlement Agreement Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure ("Settlement Motion") filed on July 2, 2010 by Daniel J. Sherman, Chapter 11 Trustee of Ondova Limited Company ("Trustee"), in the event of default of payment of the provisions of the Mutual Settlement and Release Agreement executed on July 2, 2010 ("Settlement Agreement") the Trustee is entitled to receive revenues generated from the monetization of attached domain names (the "Domain Names") directly from any domain name monetizer used by the Village Trust, Javelina, LLC, Novo Point, LLC and/or Diamond Key, LLC.

The Trustee has not received payments pursuant to the Settlement Agreement and accordingly, _____ is directed to pay all revenues generated from the monetization if the Domain Name from Novo Point, LLC, Javelina, LLC and Diamond Key, LLC directly to Daniel J. Sherman in the amount of \$_____.

It is so ORDERED.

END OF ORDER

AGREED TO:

MUNSCH HARDT KOPF & HARR, P.C.

By: Raymond J. Urbanik

Raymond J. Urbanik
3800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201-6659
Telephone: (214) 855-7500
Facsimile: (214) 855-7584

ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

GARY G. LYON

By: _____

Gary G. Lyon
Post Office Box 1227
Anna, Texas 75409
Telephone: (972) 977-7221
Facsimile: (214) 831-0411

ATTORNEY FOR JEFF BARON

HOHMANN, TAUBE & SANDERS, LLP

By: _____

Eric Taube
100 Congress Avenue, 18th Floor
Austin, Texas 75701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248

ATTORNEYS FOR THE VILLAGE TRUST,
JAVELINA, LLC, NOVO POINT, LLC AND
DIAMOND KEY, LLC

AGREED TO:

MUNSCH HARDT KOPF & HARR, P.C.

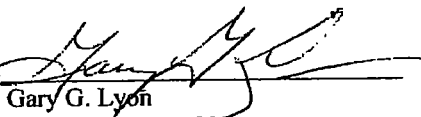
By: _____

Raymond J. Urbanik
3800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201-6659
Telephone: (214) 855-7500
Facsimile: (214) 855-7584

ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

GARY G. LYON

By: _____


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ATTORNEY FOR JEFF BARON

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By: _____

Eric Taube
100 Congress Avenue, 18th Floor
Austin, Texas 75701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248

ATTORNEYS FOR THE VILLAGE TRUST,
JAVELINA, LLC, NOVO POINT, LLC AND
DIAMOND KEY, LLC

AGREED TO:

MUNSCH HARDT KOPF & HARR, P.C.

By: _____

Raymond J. Urbanik
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500 N. Akard Street
Dallas, Texas 75201-6659
Telephone: (214) 855-7500
Facsimile: (214) 855-7584

ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

GARY G. LYON

By: _____

Gary G. Lyon
Post Office Box 1227
Anna, Texas 75409
Telephone: (972) 977-7221
Facsimile: (214) 831-0411

ATTORNEY FOR JEFF BARON

HOHMANN, TAUBE & SANDERS, LLP

By:  _____

Eric Taube
100 Congress Avenue, 18th Floor
Austin, Texas 75701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248

ATTORNEYS FOR THE VILLAGE TRUST,
JAVELINA, LLC, NOVO POINT, LLC AND
DIAMOND KEY, LLC

EXHIBIT H

Form of Agreed Order of Dismissal/Joint Stipulation in the Texas Case

CAUSE NO. 06-11717-C

ONDOVA LIMITED COMPANY, ET AL, PLAINTIFFS,	§ §	IN THE DISTRICT COURT
VS.	§ § § § §	68th JUDICIAL DISTRICT
MANILA INDUSTRIES, INC., ET AL, DEFENDANTS.	§ §	DALLAS COUNTY, TEXAS

STIPULATED DISMISSAL WITH PREJUDICE

Plaintiffs, Ondova Limited Company d/b/a Compana, LLC and Jeffrey Baron (collectively "Plaintiffs"), filed the Complaint in Cause No. 06-11717-C against Defendants, Munish Krishan, Manila Industries, Inc., Netsphere, Inc., HCB, LLC, Realty Investment Management, LLC, Simple Solutions, LLC, Denis Kleinfeld, Four Points Management, LLLP and Marshden, LLC (collectively "Defendants"). CK Ventures, Inc. d/b/a Hitfarm.com ("Hitfarm") has intervened in this matter and Quantec LLC ("Quantec"), Novo Point LLC ("Novo Point"), and Iguana Consulting LLC ("Iguana") have sought to intervene (Hitfarm, Quantec, Novo Point, and Iguana are herein collectively referred to as the "Intervenors"). Plaintiffs have now agreed upon a resolution of this matter with Defendants and Intervenors prior to a trial on the merits. Plaintiffs, Defendants and Intervenors hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiffs, Defendants and Intervenors are dismissed with prejudice to the right of Plaintiffs, Defendants and Intervenors to file or refile same or any part thereof against any and/or all of the parties herein.
3. Each party shall bear its own costs and attorneys' fees.

EXECUTION VERSION

4. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p><i>Jeffrey Baron</i> Jeffrey Baron Date: <u>8</u>, 2010</p>	<p>Ondova Limited Company By: <u>Devidar Trust, Managing Member</u> Signed: <i>Daniel J. Sherman</i> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Trustee in Bankruptcy</u> Date: <u>8/30</u>, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <i>Daniel J. Sherman</i> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Trustee</u> Date: <u>8/13</u>, 2010</p>	<p>Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Manlla Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>

EXECUTION VERSION

4. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>_____ <u>Jeffrey Baron</u> Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Quantec LLC ATP NOMINEES LIMITED BY ITS DULY AUTHORIZED OFFICER Signed: _____ Name: <u>ANGELA POPE & JOCELYN KATELAK</u> Title: _____ Date: <u>9th July</u>, 2010</p>
<p>Novo Point LLC ATP NOMINEES LIMITED BY ITS DULY AUTHORIZED OFFICER Signed: _____ Name: <u>ANGELA POPE & JOCELYN KATELAK</u> Title: _____ Date: <u>9th July</u>, 2010</p>	<p>Iguana Consulting LLC ATP NOMINEES LIMITED BY ITS DULY AUTHORIZED OFFICER Signed: _____ Name: <u>ANGELA POPE & JOCELYN KATELAK</u> Title: _____ Date: <u>9th July</u>, 2010</p>
<p>Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Manila Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>

EXECUTION VERSION

4. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>_____ Jeffrey Baron Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <i>Daniel J. Sherman</i> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 trustee</u> Date: <u>8/13</u>, 2010</p>	<p>Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Netsphere, Inc. Signed: <i>John MacPete</i> Name: <u>John MacPete</u> Title: <u>Attorney for Netsphere</u> Date: <u>26 August</u>, 2010</p>	<p>Manila Industries, Inc. Signed: <i>John MacPete</i> Name: <u>John MacPete</u> Title: <u>Attorney for Manila</u> Date: <u>26 August</u>, 2010</p>

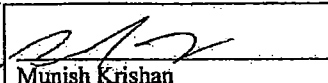
EXECUTION VERSION

4. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>_____ <u>Jeffrey Baron</u> Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <u><i>Daniel J. Sherman</i></u> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Trustee</u> Date: <u>8/13</u>, 2010</p>	<p>Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Netsphere, Inc. Signed: <u><i>Munish Krishan</i></u> Name: <u>Munish Krishan</u> Title: <u>President</u> Date: <u>8/26</u>, 2010</p>	<p>Manila Industries, Inc. Signed: <u><i>Munish Krishan</i></u> Name: <u>Munish Krishan</u> Title: <u>President</u> Date: <u>8/26</u>, 2010</p>

EXECUTION VERSION

 <u>Munish Krishan</u> Date: <u>8/26</u> , 2010	CK Ventures, Inc. d/b/a Hitfarm.com Signed: _____ Name: _____ Title: _____ Date: _____, 2010
HCB, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010	Realty Investment Management, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010
Simple Solutions, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010	Four Points Management, LLLP Signed: _____ Name: _____ Title: _____ Date: _____, 2010
Marshden, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010	_____ <u>Denis Kleinfeld</u> Date: _____, 2010

EXECUTION VERSION

<p>Munish Krishan</p> <p>Date: _____, 2010</p>	<p>CK Ventures, Inc. d/b/a Hitfirm.com</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>
<p>HCB, LLC <i>Four Points by Marshden</i></p> <p>Signed: <i>[Signature]</i></p> <p>Name: <i>Denis Kleinfeld</i></p> <p>Title: <i>Manager Marshden</i></p> <p>Date: <i>28 Aug</i>, 2010</p>	<p><i>Four Points Management, LLC</i></p> <p>Signed: <i>[Signature]</i></p> <p>Name: <i>Denis Kleinfeld</i></p> <p>Title: <i>MANAGER MARSHDEN</i></p> <p>Date: <i>28 Aug</i>, 2010</p>
<p>Simple Solutions LLC <i>Four Points by Marshden</i></p> <p>Signed: <i>[Signature]</i></p> <p>Name: <i>Denis Kleinfeld</i></p> <p>Title: <i>Manager Marshden</i></p> <p>Date: <i>28 Aug</i>, 2010</p>	<p>Four Points Management, L.L.P. <i>by Marshden</i></p> <p>Signed: <i>[Signature]</i></p> <p>Name: <i>Denis Kleinfeld</i></p> <p>Title: <i>Manager Marshden</i></p> <p>Date: <i>28 Aug</i>, 2010</p>
<p>Marshden, LLC</p> <p>Signed: <i>[Signature]</i></p> <p>Name: <i>Denis Kleinfeld</i></p> <p>Title: <i>Manager</i></p> <p>Date: <i>28 Aug</i>, 2010</p>	<p><i>[Signature]</i></p> <p><i>Denis Kleinfeld</i></p> <p>Date: <i>28 Aug</i>, 2010</p>

EXECUTION VERSION

<p>Munish Krishan</p> <p>Date: _____, 2010</p>	<p>CKV Ventures, Inc. d/b/a Hitfarm.com</p> <p>Signed: <u>[Signature]</u></p> <p>Name: <u>CHRIS SKINNER</u></p> <p>Title: <u>DIRECTOR</u></p> <p>Date: <u>31 August</u>, 2010</p>
<p>HCB, LLC <u>by [Signature] by Marshden</u></p> <p>Signed: <u>[Signature]</u></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager Marshden</u></p> <p>Date: <u>28 Aug</u>, 2010</p>	<p>Realty Investment Management, LLC</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>
<p>Simple Solutions LLC <u>by [Signature] by Marshden</u></p> <p>Signed: <u>[Signature]</u></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager Marshden</u></p> <p>Date: <u>28 Aug</u>, 2010</p>	<p>Four Points Management, L.L.P.</p> <p>Signed: <u>[Signature]</u></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager Marshden</u></p> <p>Date: <u>28 Aug</u>, 2010</p>
<p>Marshden, LLC</p> <p>Signed: <u>[Signature]</u></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager</u></p> <p>Date: <u>28 Aug</u>, 2010</p>	<p><u>[Signature]</u></p> <p><u>Denis Kleinfeld</u></p> <p>Date: <u>28 Aug</u>, 2010</p>

SO ORDERED:

Signed _____, 2010.

HONORABLE DISTRICT COURT JUDGE
MARTIN HOFFMAN

EXHIBIT I

Form of Agreed Order of Dismissal/Joint Stipulation in the VI Case

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS
DIVISION OF ST. THOMAS AND ST. JOHN**

SIMPLE SOLUTIONS, LLC,)	
)	
Plaintiff,	)	No. 3:07-CV-123
)	
v.	)	ACTION FOR BREACH OF CONTRACT,
	)	BREACH OF FIDUCIARY DUTY, AND
ONDOVA LIMITED CO., LLC, d/b/a)	FRAUD	
COMPANA, LLC,)	
)	
Defendant.)	
_____))	

STIPULATED DISMISSAL WITH PREJUDICE

Plaintiff, Simple Solutions, LLC, filed the Complaint in Civil No. 3:07-CV-123 against Defendant, Ondova Limited Company d/b/a Compana, LLC. Plaintiff has now agreed upon a resolution of this matter with Defendant prior to a trial on the merits. Plaintiff and Defendant hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiff and Defendant are dismissed with prejudice to the right of Plaintiff and Defendant to file or refile same or any part thereof against any and/or all of the parties herein.
4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

Simple Solutions, LLC Morgan Marshden Signed: <u>[Signature]</u> Name: <u>Denis</u> Title: <u>Manager Marshden</u> Date: <u>8/13</u> , 2010	Ondova Limited Company By: Daystar Trust, Managing Member Signed: <u>[Signature]</u> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Bankruptcy trustee</u> Date: <u>8/13</u> , 2010
Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <u>[Signature]</u> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch Trustee</u> Date: <u>8/13</u> , 2010	

SO ORDERED:

Signed _____, 2010.

THE HONORABLE GEOFFREY W. BARNARD
U.S. MAGISTRATE JUDGE

EXHIBIT J

Form of Joint Motion to Stay Proceedings in the Phonecards.com Case

CAUSE NO. DC08-13925-C

EQUITY TRUST COMPANY, f/k/a	§	
Mid Ohio Securities, Custodian FBO	§	IN THE DISTRICT COURT OF
IRA 19471, and JEFFREY BARON,	§	
As Beneficiary of Equity Trust Company	§	
FBO IRA 19471,	§	
	§	
<i>Plaintiffs,</i>	§	
	§	
vs.	§	DALLAS COUNTY, TEXAS
	§	
ROHIT KRISHAN, Individually and d/b/a	§	
CallingCards.com, MUNISH KRISHAN	§	
Individually and d/b/a CallingCards.com,	§	
MANOJ KRISHAN, Individually and d/b/a	§	
CallingCards.com, and	§	
CALLINGCARDS.COM, LLC	§	68TH JUDICIAL DISTRICT
	§	
<i>Defendants.</i>	§	

JOINT NONSUIT FOR DISMISSAL WITH PREJUDICE

TO THE HONORABLE JUDGE MARTIN HOFFMAN:

Plaintiffs Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471, and Jeffrey Baron, as Beneficiary of Equity Trust Company FBO 19471 and Defendants Rohit Krishan, individually and d/b/a Callingcards.com, Munish Krishan, Manoj Krishan and Callingcards.com, LLC, pursuant to TEX. R. CIV. P. 162, hereby notify the Court of Plaintiffs' Dismissal and Nonsuit with Prejudice of any and all claims brought or that could have been brought against Defendants in the above styled case in the 68th Judicial District of Dallas County, Texas. Defendants also, pursuant to Rule 162, hereby notify this Court of Defendants' Dismissal and Nonsuit with Prejudice of any and all claims brought or that could have been brought against the Plaintiffs in this matter.

This Joint Nonsuit for Dismissal with Prejudice becomes effective immediately upon filing of this notice, and requires no intervention by this Court.

EXECUTION VERSION

Respectfully submitted,

By: _____
Mark L. Taylor
State Bar No. 00792244
Amy A. Johnson
State Bar No. 24060024
CASH POWERS TAYLOR L.L.P.
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
Telephone: (214) 239-8900
Facsimile: (214) 239-8901

ATTORNEYS FOR PLAINTIFFS

BOYARMILLER
By: Lee A. Collins
Lee A. Collins
State Bar No. 00790484
Craig Dillard
State Bar No. 24040808
4265 San Felipe Road, Suite 1200
Houston, Texas 77027
Telephone: (713) 850-7766
Facsimile: (713) 552-1758

And

LOCKE LORD BISSELL & LIDELL LLP

By: _____
John W. MacPete
State Bar No. 00791156
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Telephone: (214) 740-8662
Facsimile: (214) 756-8662

**COUNSEL FOR DEFENDANTS MANOJ
KRISHAN, MUNISH KRISHAN, ROHIT
KRISHAN, INDIVIDUALLY AND DBA
CALLINGCARDS.COM, AND
CALLINGCARDS.COM, LLC**

EXECUTION VERSION

Respectfully submitted,

By: 

Mark L. Taylor
State Bar No. 00792244
Amy A. Johnson
State Bar No. 24060024
CASH POWERS TAYLOR L.L.P.
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
Telephone: (214) 239-8900
Facsimile: (214) 239-8901

ATTORNEYS FOR PLAINTIFFS

BOYARMILLER

By: _____

Lee A. Collins
State Bar No. 00790484
Craig Dillard
State Bar No. 24040808
4265 San Felipe Road, Suite 1200
Houston, Texas 77027
Telephone: (713) 850-7766
Facsimile: (713) 552-1758

And

LOCKE LORD BISSELL & LIDELL LLP

By: _____

John W. MacPete
State Bar No. 00791156
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Telephone: (214) 740-8662
Facsimile: (214) 756-8662

**COUNSEL FOR DEFENDANTS MANOJ
KRISHAN, MUNISH KRISHAN, ROHIT
KRISHAN, INDIVIDUALLY AND DBA
CALLINGCARDS.COM, AND
CALLINGCARDS.COM, LLC**

EXECUTION VERSION

Respectfully submitted,

By: _____
Mark L. Taylor
State Bar No. 00792244
Amy A. Johnson
State Bar No. 24060024
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ATTORNEYS FOR PLAINTIFFS

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And

LOCKE LORD BISSELL & LIDELL LLP

By: _____
John W. MacPete
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2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Telephone: (214) 740-8662
Facsimile: (214) 756-8662

**COUNSEL FOR DEFENDANTS MANOJ
KRISHAN, MUNISH KRISHAN, ROHIT
KRISHAN, INVIDUALLY AND DBA
CALLINGCARDS.COM, AND
CALLINGCARDS.COM, LLC**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served, pursuant to TEX. R. CIV. P. 21 and 21a, on this the __ day of _____ 2010 on the following:

Via Fax

Mark Taylor
Amy Johnson
Cash Powers Taylor LLP
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
Fax: (214) 239-8901

Via Certified Mail, Return Receipt Requested

Jeffrey Hall
7242 Main St.
Frisco, TX 75034

Via Fax

John W. MacPete
LOCKE LORD BISSELL & LIDDELL LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Fax: (214) 756-8662



John W. MacPete

EXHIBIT K

Form of Agreed Order of Dismissal/Joint Stipulation in the Dallas Federal Case

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC., et al.,

Plaintiffs,

vs.

JEFFREY BARON, et. al.,

Defendants.

§
§
§
§
§
§
§
§
§
§
§

**CIVIL ACTION NO.
3-09CV0988-F**

STIPULATED DISMISSAL WITH PREJUDICE

Plaintiffs, Netsphere, Inc., Manila Industries, Inc. and Munish Krishan (collectively "Plaintiffs"), filed the Complaint in Civil No. 3-09-CV-0988-F against Defendants, Jeffrey Baron and Ondova Limited Company d/b/a Compana, LLC (collectively "Defendants"). Charla Aldous ("Aldous") and Jeffrey Rasansky ("Rasansky") have intervened in this matter and Quantec LLC ("Quantec"), Novo Point LLC ("Novo Point"), and Iguana Consulting LLC ("Iguana") have sought to intervene (Aldous, Rasansky, Quantec, Novo Point, and Iguana are herein collectively referred to as the "Intervenors"). Plaintiffs have now agreed upon a resolution of this matter with Defendants and Intervenors prior to a trial on the merits. Plaintiffs, Defendants and Intervenors hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiffs, Defendants and Intervenors are dismissed with prejudice to the right of Plaintiffs,

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>Netsphere, Inc. Signed: <u><i>John MacPete</i></u> Name: <u><i>John MacPete</i></u> Title: <u><i>Attorney for Netsphere</i></u> Date: <u><i>24 August, 2010</i></u></p>	<p>Manila Industries, Inc. Signed: <u><i>John MacPete</i></u> Name: <u><i>John MacPete</i></u> Title: <u><i>Attorney for Manila</i></u> Date: <u><i>26 August, 2010</i></u></p>
<p><u><i>John MacPete</i></u> <u><i>John MacPete</i></u> <u><i>Attorney for Munish Krishan</i></u></p>	<p><u><i>Munish Krishan</i></u> Date: <u><i>24 August, 2010</i></u></p>
<p><u>Jeffrey Baron</u> Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <u><i>Daniel J. Sherman</i></u> Name: <u><i>DANIEL J. SHERMAN</i></u> Title: <u><i>Ch. 11 Trustee</i></u> Date: <u><i>8/13, 2010</i></u></p>	<p>Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

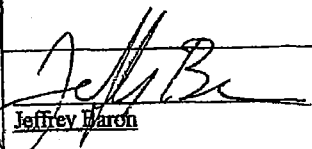
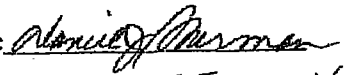
<p>Netsphere, Inc.</p> <p>Signed: <u><i>John MacPete</i></u></p> <p>Name: <u>John MacPete</u></p> <p>Title: <u>Attorney for Netsphere</u></p> <p>Date: <u>24 August, 2010</u></p>	<p>Manila Industries, Inc.</p> <p>Signed: <u><i>John MacPete</i></u></p> <p>Name: <u>John MacPete</u></p> <p>Title: <u>Attorney for Manila</u></p> <p>Date: <u>26 August, 2010</u></p>
<p><u><i>John MacPete</i></u> <u>John MacPete</u> <u>Attorney for Munish Krishan</u></p>	<p><u>Munish Krishan</u></p> <p>Date: <u>24 August 2010</u></p>
<p><u>Jeffrey Baron</u></p> <p>Date: _____, 2010</p>	<p>Ondova Limited Company By: <u>Daystar Trust, Managing Member</u></p> <p>Signed: <u><i>Daniel J. Sherman</i></u></p> <p>Name: <u>DANIEL J. SHERMAN</u></p> <p>Title: <u>Ch. 11 Bankruptcy Trustee</u></p> <p>Date: <u>8/30</u>, 2010</p>
<p>Ondova Chapter 11 Trustee By: <u>Daniel J. Sherman</u></p> <p>Signed: <u><i>Daniel J. Sherman</i></u></p> <p>Name: <u>DANIEL J. SHERMAN</u></p> <p>Title: <u>Ch. 11 Trustee</u></p> <p>Date: <u>8/13</u>, 2010</p>	<p>Quantec LLC</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

- 4. Each party shall bear its own costs and attorneys' fees.
- 5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010	Manila Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010
	<u>Munish Krishan</u> Date: _____, 2010
 <u>Jeffrey Baron</u> Date: _____, 2010	Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010
Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed:  Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch. 11 Trustee</u> Date: <u>8/13</u> , 2010	Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

Netsphere, Inc. Signed: <u>[Signature]</u> Name: <u>Munish Krishan</u> Title: <u>President</u> Date: <u>8/26, 2010</u>	Manila Industries, Inc. Signed: <u>[Signature]</u> Name: <u>Munish Krishan</u> Title: <u>President</u> Date: <u>8/26, 2010</u>
	<u>[Signature]</u> Munish Krishan Date: <u>8/26, 2010</u>
<u>Jeffrey Baron</u> Date: <u> </u> , 2010	Ondova Limited Company By: <u>Daystar Trust, Managing Member</u> Signed: _____ Name: _____ Title: _____ Date: <u> </u> , 2010
Ondova Chapter 11 Trustee By: <u>Daniel J. Sherman</u> Signed: <u>[Signature]</u> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Trustee</u> Date: <u>8/13, 2010</u>	Quantec LLC Signed: _____ Name: _____ Title: _____ Date: <u> </u> , 2010

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

- 4. Each party shall bear its own costs and attorneys' fees.
- 5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010	Manila Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010
	<u>Munish Krishan</u> Date: _____, 2010
<u>Jeffrey Baron</u> Date: _____, 2010	Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010
Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <u>Daniel J. Sherman</u> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Trustee</u> Date: <u>8/13</u> , 2010	Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Manila Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
	<p>_____ Munish Krishan Date: _____, 2010</p>
<p>_____ Jeffrey Baron Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Quantec LLC Signed: ATP NOMINEES LIMITED BY ITS DULY AUTHORIZED OFFICER Name: <u>ANGELA POPE - JOLETA KOTEKA</u> Title: _____ Date: <u>9th July</u>, 2010</p>

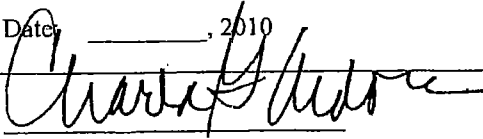
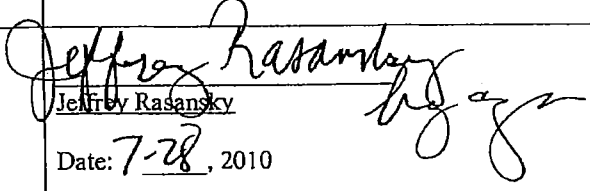
EXECUTION VERSION

<p>Novo Point LLC ATP NOMINEES LIMITED Signed: <u>[Signature]</u> BY ITS DULY AUTHORIZED OFFICER Name: <u>ANGELA POPE & JOVELYN KOTERA</u> Title: _____ Date: <u>9th July, 2010</u></p>	<p>Iguana Consulting LLC ATP NOMINEES LIMITED Signed: <u>[Signature]</u> BY ITS DULY AUTHORIZED OFFICER Name: <u>ANGELA POPE & JOVELYN KOTERA</u> Title: _____ Date: <u>9th July 2010</u></p>
<p>_____ <u>Charla Aldous</u> Date: _____, 2010</p>	<p>_____ <u>Jeffrey Rasansky</u> Date: _____, 2010</p>

SO ORDERED:

Signed _____, 2010.

THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT COURT JUDGE

Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010  <u>Charla Aldous</u> Date: <u>7-28</u> , 2010	Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010  <u>Jeffrey Rasansky</u> Date: <u>7-28</u> , 2010
---	--

SO ORDERED:

Signed _____, 2010.

THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT COURT JUDGE

EXECUTION VERSION

<p>Novo Point LLC ATP NOMINEES LIMITED SIGNED: <u>[Signature]</u> BY ITS DUTY AUTHORIZED OFFICER</p> <p>Name: <u>ANGELA POPE & JORELYN KOTERA</u></p> <p>Title: _____</p> <p>Date: <u>9th July, 2010</u></p>	<p>Iguana Consulting LLC ATP NOMINEES LIMITED SIGNED: <u>[Signature]</u> BY ITS DUTY AUTHORIZED OFFICER</p> <p>Name: <u>ANGELA POPE & JORELYN KOTERA</u></p> <p>Title: _____</p> <p>Date: <u>9th July 2010</u></p>
<p>_____ <u>Charla Aldous</u></p> <p>Date: _____, 2010</p>	<p><u>[Signature]</u> <u>Jeffrey Rasansky</u></p> <p>Date: <u>Aug 27</u>, 2010</p>

SO ORDERED:

Signed _____, 2010.

THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT COURT JUDGE

EXECUTION VERSION

EXHIBIT L

Form of CC Assignment

PHONECARDS.COM ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT ("Agreement") is dated as of _____, 2012, from CallingCards.com, LLC ("Assignor"), to Equity Trust Company ("Assignee").

1. Assignor hereby assigns to Assignee, and Assignee hereby accepts from Assignor, all of the right, title and interest that Assignor possesses and has the right to assign in the domain name PHONECARDS.COM in exchange for Assignee's payment of Ten Thousand Dollars (\$10,000.00 U.S.), in certified funds, which is tendered concurrently herewith.

2. Assignor will take such additional steps necessary, if any, to vest in Assignee all right, title and interest of Assignor in and to the domain name PHONECARDS.COM, and otherwise to carry out the purpose and intent of this Agreement.

3. This Agreement may be signed in counterparts. A facsimile copy or an electronic image of a signed counterpart shall be deemed to be equivalent to a signed original.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Agreement to be executed and delivered on the date first above written.

ASSIGNOR:

CallingCards.com, LLC

By: [Signature]
Name: Matthew Reardon
Title: COO

ASSIGNEE:

Equity Trust Company Custodian FBO Jeffrey Baron IRA
By: [Signature]
Name: Jamie Reed
Title: Vice President

EXHIBIT K

Form of Dauben Disclaimer of Interest

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DISCLAIMER OF INTEREST

STATE OF TEXAS

§
§
§

KNOW ALL THESE PRESENTS:

COUNTY OF DALLAS

Joey Dauben, on behalf of himself, Dauben, Inc., d/b/a Texas International Property Associates and Privacy Protection Services, Inc., d/b/a Oakwood Services, Inc., and his and their respective affiliates hereby disclaims any interest in the property described below:

1. Even Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Restore List (as defined in Paragraph 5(e) of the Preliminary Injunction);

2. Odd Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Allocated Names List (as defined in Paragraph 5(d) of the Preliminary Injunction); and

3. Blue Horizons Portfolio, meaning all domain names that previously were registered through Ondova Limited Company, exclusive of the Even Group Portfolio, the Odd Group Portfolio and any domain name not registered through or at Ondova Limited Company as of February 22, 2010, and exclusive of the domain names *Pokerstar.com*, *Servers.com*, and the Excluded Disputed Domains (defined below).

4. The following domain names: *Pokerstar.com*, *Servers.com*, and the Excluded Disputed Domains (defined as the list of twelve (12) domain names in an e-mail from Raymond J. Urbanik to Gerrit Pronske on June 2, 2010).

SIGNED on the date acknowledged below.

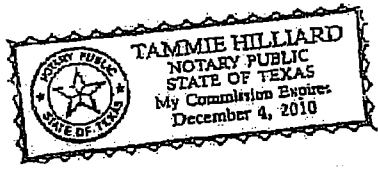

JOEY DAUBEN



STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on 22, 2010, by Joey Eauben.

Tammie Hilliard
Notary Public State of Texas.



K-2

EXHIBIT N

Form of Rescission/Quitclaim Agreement (Quantec LLC and Iguana Consulting LLC)

RESCISSION AGREEMENT

This Rescission Agreement (this "Agreement") is made this ___ day of _____, 2010 among Quantec LLC, a Cook Islands limited liability company ("Quantec LLC"), Iguana Consulting LLC, a Cook Islands limited liability company ("Iguana Consulting LLC"), and Asiatrust Limited as Trustee of the MMSK Trust, a trust organized and established under the laws of the Cook Islands ("Asiatrust").

RECITALS

A. On or about July 6, 2009, Asiatrust purported to transfer, by operation of law or otherwise, to Quantec LLC 293.25 shares of the capital stock of Quantec, Inc., a United States Virgin Islands corporation (the "Quantec Shares") in consideration of the purported issuance by Quantec LLC to Asiatrust of membership interests in Quantec LLC (the "Quantec LLC Interests").

B. On or about July 6, 2009, Asiatrust purported to transfer, by operation of law or otherwise, to Iguana Consulting LLC 293.25 shares of the capital stock of Iguana Consulting, Inc., a United States Virgin Islands corporation (the "Iguana Shares.") in consideration of the purported issuance by Iguana Consulting LLC to Asiatrust of membership interests in Iguana Consulting LLC (the "Iguana Consulting LLC Interests").

C. Asiatrust, Quantec LLC and Iguana Consulting LLC desire to rescind the purported transfer of the Quantec Shares and the Iguana Shares and the purported issuance of the Quantec LLC Interests and the Iguana Consulting LLC Interests and to reinstate Asiatrust's ownership of the Quantec Shares and the Iguana Shares as if such purported transfer and issuance had never happened.

AGREEMENT

In consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Quantec LLC, Iguana Consulting LLC and Asiatrust hereby agree as follows:

1. Rescission of Share Transfer. Quantec LLC and Asiatrust mutually agree that the purported transfer, by operation of law or otherwise, of the Quantec Shares from Asiatrust to Quantec LLC is hereby rescinded and shall be treated as if such transfer never occurred. Iguana Consulting LLC and Asiatrust mutually agree that the purported transfer, by operation of law or otherwise, of the Iguana Shares from Asiatrust to Iguana Consulting LLC is hereby rescinded and shall be treated as if such transfer never occurred. Quantec LLC expressly quitclaims to Asiatrust and disavows all rights of every kind, nature and description, if any, it may have, or ever had, in and to all rights related to the Quantec Shares, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after July 6, 2009 from the Quantec Shares. Iguana Consulting LLC expressly quitclaims to Asiatrust and disavows all rights of every kind, nature and description, if any, it may have, or ever had, in and to all rights related to the Iguana Shares, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after July 6, 2009 from the Iguana Shares.

EXECUTION VERSION

2. Rescission of Membership Interest Issuance. Quantec LLC and Asiatrust mutually agree that the purported issuance of the Quantec LLC Interests to Asiatrust is hereby rescinded and shall be treated as if such issuance never occurred. Quantec LLC and Asiatrust further agree that Asiatrust shall not be treated as ever having been a member of, or owner of any equity interests in, Quantec LLC. Iguana Consulting LLC and Asiatrust mutually agree that the purported issuance of the Iguana Consulting Interests to Asiatrust is hereby rescinded and shall be treated as if such issuance never occurred. Iguana Consulting LLC and Asiatrust further agree that Asiatrust shall not be treated as ever having been a member of, or owner of any equity interests in, Iguana Consulting LLC.

3. Further Actions. Each of Quantec LLC, Iguana Consulting LLC and Asiatrust shall execute all such additional documents and take all such further action as may be necessary or desirable to effect any of the purposes of, or to reflect any of the actions taken in, this Agreement.

4. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

5. Amendments, Waivers, Counterparts, Jurisdiction, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by each party hereto.

(b) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(c) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(d) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

[Signature page follows]

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

QUANTEC LLC

By: Novquant, LLC, Manager

By: **ATP NOMINEES LIMITED**
BY ITS DULY AUTHORISED OFFICER
Name: [Signature]
Title: ANGELA POPE & JOCELYN KATEKA

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: **ATP NOMINEES LIMITED**
BY ITS DULY AUTHORISED OFFICER
Name: [Signature]
Title: ANGELA POPE & JOCELYN KATEKA

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: **ATP DIRECTORS LIMITED**
BY ITS DULY AUTHORISED OFFICER
Name: LESLEY KATORA & LISA AD
Title: _____

EXHIBIT O

Form of MMSK Trust Assignments

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 293.25 shares of the common stock of Quantec, Inc. represented by certificate No. 2, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

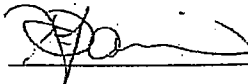
THE MMSK TRUST

By: Asiatrusted Limited, Its Trustee

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORISED OFFICER

By: _____
Name: LESLEY KATOQA & LISA IRO
Title: _____

IN THE PRESENCE OF:



STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 293.25 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 8, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: ATP DIRECTORS LIMITED
BY ITS DUTY AUTHORIZED OFFICER

Name: LESLEY KATOA & LISA IRU

Title: _____

IN THE PRESENCE OF:



EXHIBIT P
Form of Manila Related Parties' Assignments

STOCK POWER

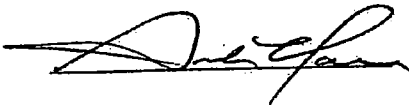
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 114.25 shares of the common stock of Quantec, Inc. represented by certificate No. 9, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: 7-8, 2010



Biju Mathew

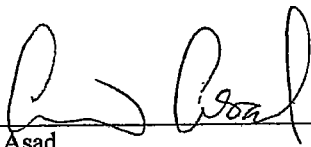
IN THE PRESENCE OF:



STOCK POWER

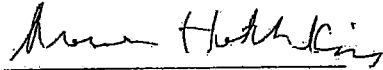
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 45 shares of the common stock of Quantec, Inc. represented by certificate No. 10, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: ~~7-9~~ 2010



Amir Asad


IN THE PRESENCE OF:



STOCK POWER

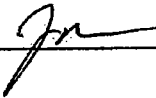
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 40 shares of the common stock of Quantec, Inc. represented by certificate No. 11, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: 7-7, 2010



Rohit Krishan

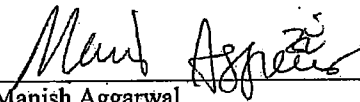
IN THE PRESENCE OF:



STOCK POWER

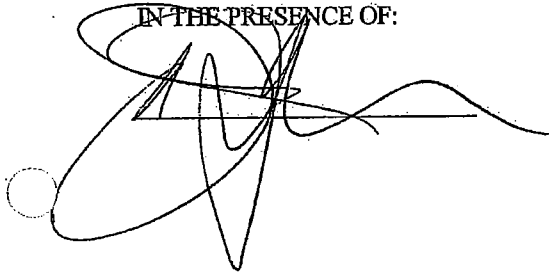
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 5 shares of the common stock of Quantec, Inc. represented by certificate No. 12, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: ~~7/2~~, 2010



Manish Aggarwal

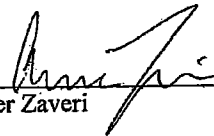
IN THE PRESENCE OF:



STOCK POWER

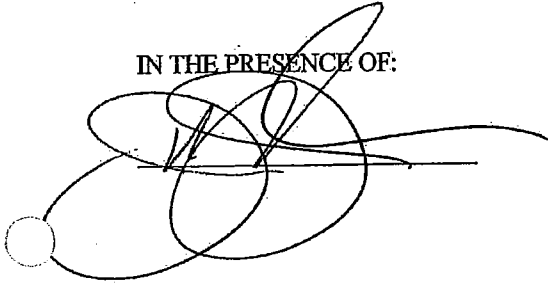
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 2.5 shares of the common stock of Quantec, Inc. represented by certificate No. 13, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: [REDACTED], 2010



Amer Zaveri

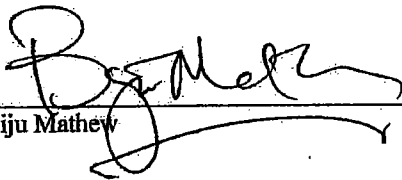
IN THE PRESENCE OF:



STOCK POWER

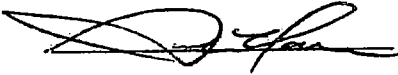
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 114.25 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 3, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7-8, 2010



Biju Mathew

IN THE PRESENCE OF:



STOCK POWER

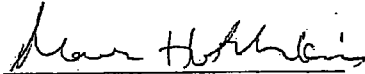
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 45 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 4, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7, 9, 2010



Amir Asad

IN THE PRESENCE OF:

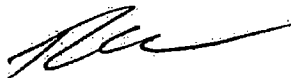


EXECUTION VERSION

STOCK POWER

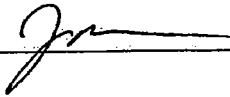
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 40 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 5, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7-7, 2010



Rohit Krishan

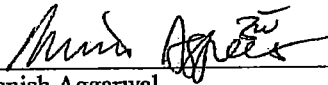
IN THE PRESENCE OF:



STOCK POWER

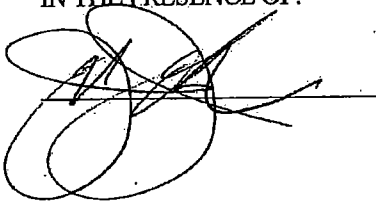
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 5 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 8, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: [REDACTED], 2010



Manish Aggarwal

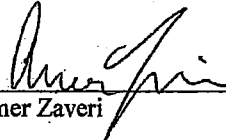
IN THE PRESENCE OF:



STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 2.5 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 9, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: [REDACTED], 2010



Amer Zaveri

IN THE PRESENCE OF:

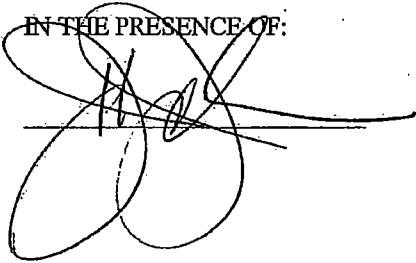


EXHIBIT Q

**RESIGNATION OF PROTECTOR AND APPOINTMENT OF SUCCESSOR
PROTECTOR OF THE MMSK TRUST**

WHEREAS, on December 30, 2005, Munish and Seema Krishan, as Settlors, Asiatruster Limited, as Trustee, and PN Management Limited, as Protector, executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The MMSK Trust (the "Trust");

WHEREAS, PN Management Limited is currently serving as Protector of the Trust;

WHEREAS, Article V.A. of the Trust Deed provides that the Protector may appoint a successor Protector of the Trust;

WHEREAS, Article V.C. of the Trust Deed provides that the Protector may resign at any time by delivering written notice to the Trustee, which resignation shall be effective at the time or under the conditions specified in such instrument;

WHEREAS, Article III.G. of the Trust Deed provides that a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XIX of the Trust Deed;

WHEREAS, Article V.D. of the Trust Deed provides that the Protector shall have the benefit of the same indemnities, protections, and exculpations as conferred on the Trustee by the operation of law or under the terms of the Trust Deed;

WHEREAS, PN Management Limited wishes to appoint a successor Protector of the Trust;

WHEREAS, PN Management Limited (hereafter, the "Resigning Protector") wishes to resign as Protector of the Trust by giving written notice to the Trustee and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein.

NOW, THEREFORE, the parties agree to the following:

1. The Resigning Protector does hereby appoint **Cook Islands Trust Protectors Limited** as successor protector (the "Successor Protector") to exercise all powers and discretions granted to the Protector under the Trust Deed.

2. By its signature hereto, the Successor Protector does hereby covenant and agree, in its capacity as Protector of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

3. Pursuant to Article V.D., Article III.G. and Article XIX of the Trust Deed, the Trustee hereby covenants with the Resigning Protector and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to indemnify the Resigning Protector and its directors and officers and its successors in title against any and all liabilities, actions, proceedings, claims, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses, and other liabilities of whatsoever nature for and in respect of which the Resigning Protector may be or become liable as protector or former protector of the Trust (the "Liabilities"), PROVIDED THAT the liability of the Trustee under the above indemnity shall not extend to the Liabilities that arise

EXECUTION VERSION

from the Resigning Protector's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Trustee under the above indemnity shall be limited to the Resigning Protector's right of indemnity against the Trust Property provided under the Trust Deed and shall extend only to the Liabilities in respect of which the Resigning Protector would have been entitled to reimbursement out of the property of the Trust had it remained protector of the Trust on its present terms.

4. The Resigning Protector is hereby released from all liabilities, undertakings, and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings, and obligations relate to the Trust Property.

5. The Resigning Protector does hereby resign as Protector of the Trust.

6. This document shall take effect upon the date on which the last of the undersigned parties executes this document.

7. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

8. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

9. This document shall be governed by, and construed in accordance with the laws of, the Cook Islands.

RESIGNING PROTECTOR:

PN MANAGEMENT LIMITED

By: _____
Print Name: _____
Title: _____

_____ Date

SUCCESSOR PROTECTOR:

COOK ISLANDS TRUST PROTECTORS LIMITED

By: _____
Print Name: _____
Title: _____

_____ Date

RESIGNING PROTECTOR:

PN MANAGEMENT LIMITED

By: _____
Print Name: Bernard HAISSELY
Title: President

June 21, 2010
Date

SUCCESSOR PROTECTOR:

By: _____
Print Name: _____
Title: _____

Date

RESIGNING PROTECTOR:

PN MANAGEMENT LIMITED

By: _____
Print Name: _____
Title: _____

Date

SUCCESSOR PROTECTOR:

COOK ISLANDS TRUST PROTECTORS LTD.

By: *[Signature]*
Print Name: ANTONY WILL
Title: AUTHORISED SIGNATORY

18 August 2010
Date

Joinder Agreement

WHEREAS, the Trust (as defined above) is a party to that certain Mutual Settlement and Release Agreement by and among Munish Krishan, et al, initially approved by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division Bankruptcy, in Case No. 09-34784-SGJ-11 on June 22, 2010 (the "Settlement Agreement"); and

WHEREAS, in connection with the Settlement Agreement and the subject appointment, PN Management Limited desires for Cook Islands Trust Protectors Limited to (i) acknowledge receipt of a copy of the Settlement Agreement, and (ii) in its capacity as Protector of the Trust, agree to perform the obligations of the Trust pursuant to the Settlement Agreement;

NOW, THEREFORE, Cook Islands Trust Protectors Limited hereby: (i) acknowledges receipt of a copy of the Settlement Agreement; and (ii) covenants and agrees, in its capacity as successor Trustee of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

COOK ISLANDS TRUST PROTECTORS LIMITED

By: _____
Print Name: _____
Title: _____

_____ Date

EXHIBIT O

Form of Asiatrust Resignation

**RESIGNATION OF TRUSTEE and APPOINTMENT OF SUCCESSOR TRUSTEE
OF THE MMSK TRUST**

WHEREAS, on December 30, 2005, Munish and Seema Krishan, as Settlers (the "Settlers"), Asiatrust Limited, as Trustee ("Asiatrust"), and PN Management Limited, as Protector (the "Protector"), executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The MMSK Trust (the "Trust");

WHEREAS, Article III.C. of the Trust Deed provides that the Trustee may resign at any time by providing written notice addressed to the Protector;

WHEREAS, Article III.B.3. of the Trust Deed gives the Protector the power to appoint a successor Trustee, whether within or without the Cook Islands, as Trustee of the Trust;

WHEREAS, Article III.G. of the Trust Deed provides that without prejudice to any other right conferred by law a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XIX of the Trust Deed;

WHEREAS, Asiatrust desires to resign as Trustee of the Trust (the "Resigning Trustee") by giving written notice to the Protector and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein; and

WHEREAS, the Protector desires to appoint GCSL Trustees Limited as successor Trustee of the Trust.

NOW, THEREFORE, the parties hereto agree to the following:

1. Asiatrust does hereby provide written notice to the Protector that it resigns as Trustee of the Trust and Asiatrust is hereby discharged from all or any of the trusts and powers reposed in or conferred on it under the Trust Deed.
2. PN Management Limited, as Protector, does hereby appoint GCSL Trustees Limited as successor Trustee of the Trust (the "Successor Trustee"), to exercise all powers and discretions granted to the Trustee under the Trust Deed.
3. GCSL Trustees Limited does hereby accept its appointment as successor Trustee of the Trust and hereby covenants with the Resigning Trustee and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to indemnify the Resigning Trustee and its directors and officers and its successors in title against any and all liabilities, actions, proceedings, claims, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses and other liabilities of whatsoever nature for and in respect of which the Resigning Trustee may be or become liable as trustee or former trustee of the Trust (the "Liabilities"), PROVIDED THAT the liability of the Successor Trustee under the above indemnity shall not extend to the Liabilities that arise from the Resigning Trustee's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Successor Trustee under the above indemnity shall be limited to its right of indemnity against the Trust Property provided under the Trust Deed and shall extend only to the

Liabilities in respect of which the Resigning Trustee would have been entitled to reimbursement out of the property of the Trust had it remained trustee of the Trust on its present terms.

4. The Resigning Trustee is hereby released from all liabilities, undertakings and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings and obligations relate to the Trust Property.

5. The provisions of this document shall take effect upon the date on which the last of the undersigned parties executes this document (the "Effective Date"), at which time the Trust Property shall vest in the Successor Trustee. The Resigning Trustee, pursuant to Article III.E. of the Trust Deed, hereby covenants with the Successor Trustee to execute all documents and take such other action as may be reasonably necessary or desirable to transfer the Trust Property to the Successor Trustee as soon as possible after the Effective Date.

6. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

7. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

8. This document shall be governed by and construed in accordance with the laws of the Cook Islands.

RESIGNING TRUSTEE

ASIATRUST LIMITED
ATP DIRECTORS LIMITED
BY ITS DAILY AUTHORIZED OFFICER

By: _____
Print name: _____
Title: _____

8/23/2010
Date

SUCCESSOR TRUSTEE

Appointment Accepted

GCSL TRUSTEES LIMITED

By: _____
Print name: _____
Title: _____
by its nominee

Date

ACKNOWLEDGED

**PN MANAGEMENT LIMITED,
Protector of The MMSK Trust**

By: _____
Print name: Bernard Healy
Title: President

21 June 2010
Date

EXHIBIT 12

ENTERED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE DATE OF ENTRY IS
ON THE COURT'S DOCKET
TAWANA C. MARSHALL, CLERK

IN RE:

ONDOVA LIMITED COMPANY,
DEBTOR.

Case No. 09-34784-SGJ-11

NETSPHERE, INC., ET AL.,
PLAINTIFFS,

VS.

Civil Action No. 3-09CV0988-F

JEFFREY BARON, ET AL.,
DEFENDANTS.

REPORT AND RECOMMENDATION TO DISTRICT COURT

(JUDGE ROYAL FURGESON):

THAT PETER VOGEL, SPECIAL MASTER, BE
AUTHORIZED AND DIRECTED TO MEDIATE ATTORNEYS FEES ISSUES

The undersigned bankruptcy judge makes this Report and Recommendation to the Honorable Royal Furgeson, who presides over litigation related to the above-referenced bankruptcy case styled *Netsphere v. Baron*, Case # 3-09CV0988-F (the "District Court Litigation"). The purpose of this submission is: (a) to report the status of certain matters pending before the bankruptcy court, that are related to the District Court Litigation; and (b)

to recommend that His Honor appoint Peter Vogel, Special Master in the District Court Litigation, to mediate issues relative to attorneys fees that are further described below.

I. BACKGROUND.

The bankruptcy court has held four status conferences in recent weeks in connection with the above-referenced bankruptcy case (on September 15, 22, and 30, 2010 and October 8, 2010). The bankruptcy court has heard reports and evidence at each status conference regarding the extent to which the so-called "Global Settlement Agreement" has been consummated. The "Global Settlement Agreement" refers to the Mutual Settlement and Release Agreement approved by the bankruptcy court on July 28, 2010 [see Order at Docket No. 394]¹, involving, among other things: (a) dozens of parties, but primarily the Ondova bankruptcy estate (through Chapter 11 Trustee, Daniel Sherman), Jeffrey Baron, the Manilla/NetSphere parties, the Village Trust, the MMSK Trust, and various United States Virgin Island entities; (b) a split of a portfolio of internet domain names; (c) certain payments to the Ondova bankruptcy estate by Manilla/NetSphere and the Village Trust; (d) the settlement of more than a half-dozen lawsuits involving Ondova and/or Jeffrey Baron; and (e) a broad release of claims. While the bankruptcy court has heard positive statements

¹ All docket number references herein refer to the docket entry numbers on the PACER/ECF docket maintained in the *In re Ondova Limited Company* ("Ondova") bankruptcy case (Case No. 09-34784-sgj-11).

from the Chapter 11 Trustee indicating that there has been substantial consummation of the Global Settlement Agreement (i.e., payment of more than one million dollars of settlement funds to the Ondova bankruptcy estate by Manilla/NetSphere; payment of certain additional settlement funds to the Ondova bankruptcy estate from the Village Trust; dismissals of all lawsuits except for the District Court Litigation;² appointment of a successor Trustee and Protector over the Village Trust; steps toward transferring the so-called "Odd Names Portfolio" portion of the internet domain names to a new Registrar away from Ondova), the bankruptcy court has had lingering concerns at each of the status conferences regarding Jeffrey Baron's commitment to completing his obligations under the Global Settlement Agreement, and possibly taking actions to frustrate the Global Settlement Agreement. Part of the bankruptcy court's concerns in this regard have been fueled by the fact that Jeffrey Baron has continued to hire and fire lawyers for himself and certain entities that are parties to the Global Settlement Agreement (e.g., Quantec), and has instructed such lawyers to file pleadings—even after entry into the Global Settlement Agreement—

² The District Court Litigation, as well as the bankruptcy case of Ondova, remain open, so that there will be fora in which the parties can seek relief to enforce or interpret the Global Settlement Agreement. Additionally, there is remaining case administration needed in the Ondova bankruptcy case (namely, resolution and payment of claims—now that there are funds to pay creditors).

as though the matters resolved in the Global Settlement Agreement are far from over.

But the concern over the hiring-and-firing of lawyers is even more problematic than what the bankruptcy court mentions above. The bankruptcy court has had a growing concern that Jeffrey Baron's actions *may be exposing the Ondova bankruptcy estate to possible administrative expense claims* for amounts owed to attorneys that *Jeffrey Baron should pay or entities with which he is connected (Quantec, Village Trust, etc.) should rightfully pay*. To further explain, the court summarizes below some of what has occurred before and after the Global Settlement Agreement was reached.

II. THE CAVALCADE OF ATTORNEYS.

When Jeffrey Baron started hiring and firing lawyers shortly after the Global Settlement Agreement was reached, the bankruptcy court took judicial notice (at a September 15, 2010 status conference) that Jeffrey Baron and Ondova have had *dozens of sets of lawyers* in the past four years, since the litigation with Manilla/NetSphere and other parties commenced. At least the following lawyers have served as former counsel to Ondova and/or Jeffrey Baron in the litigation with Manilla/NetSphere that started in the state district court in Dallas County (before the next phase of litigation between the parties started in the District Court Litigation): (i) Mateer & Schaffer; (ii)

Carrington Coleman Sloman & Blumenthal; (iii) Bickel & Brewer; (iv) The Beckham Group; (v) The Aldous Law Firm; (vi) The Rasansky Law Firm; (vii) Fee Smith Sharp & Vitullo; and (viii) Friedman & Feiger.

Additionally, far more than a dozen attorneys' names were listed in Ondova's Bankruptcy Schedules (Schedule F—the list of pre-bankruptcy unsecured creditors of Ondova) as being owed significant sums of money by Ondova (not the least of which was the Carrington Coleman law firm, that filed a claim for \$224,233.27, and Bickel & Brewer which is scheduled as being owed \$42,500).

Fast forwarding to the post-bankruptcy time period, at least the following lawyers have become engaged by Jeff Baron or entities he directs (or is the ultimate owner/beneficiary of) *since* the Ondova bankruptcy case was filed: (i) Paul Keiffer (Wright, Ginsburg & Brusilow) for Ondova;³ (ii) Gerrit Pronske (Pronske & Patel) for Jeffrey Baron individually;⁴ (iii) Steven

³ Mr. Keiffer and his firm filed an application to be employed by Ondova on July 29, 2009 [Doc. No. 5], which application was granted by this court [Doc. No. 57]. Then, Mr. Keiffer moved to withdraw just a month-and-a-half later, on September 11, 2009 [Doc. No. 83], which the court granted on October 1, 2009 [Doc. No. 108].

⁴ Pronske & Patel moved to withdraw from representing Jeffrey Baron on September 7, 2010, after representing Mr. Baron for many months in the bankruptcy case [Doc. No. 419], citing nonpayment of more than \$200,000 of fees during the Ondova bankruptcy case, conflicts of interest—as Jeffrey Baron has now sued them—and also a concern that Jeffrey Baron may be engaging in fraudulent transfers. This request to withdraw was granted by the bankruptcy court [Doc. No. 449].

Jones for Jeffrey Baron individually;⁵ (iv) Gary Lyon for Jeffrey Baron individually;⁶ (v) Dean Ferguson for Jeffrey Baron individually;⁷ (vi) Martin Thomas for Jeffrey Baron individually;⁸ (vii) Stanley Broome for Jeffrey Baron individually;⁹ and (viii) James Eckles for Quantec.¹⁰ Several

⁵ Mr. Jones made a brief cameo appearance as criminal counsel to Mr. Baron during the Ondova bankruptcy case on September 11 and 28, 2009.

⁶ Attorney Gary Lyon, who has been representing Jeffrey Baron individually for many months in the bankruptcy court and District Court, recently requested to have attorney Martin Thomas substituted in his place or approved as co-counsel with him [see, e.g., Doc. No. 458]. For the first time, Mr. Lyon announced in September 2010 that he is only admitted to practice law in the State of Oklahoma, although admitted in the courts in the Northern District of Texas, and Mr. Lyon felt this was an ethical problem unless he associated with co-counsel (here, suggesting Martin Thomas).

⁷ Dean Ferguson appeared for Jeffrey Baron individually at one hearing in the Ondova bankruptcy case (on September 15, 2010) and said he had been representing Jeffrey Baron for some time in connection with out-of-court negotiations relating to the Ondova bankruptcy case, but he would not be seeking to go forward because of non-payment of fees.

⁸ Attorney Martin Thomas (who has newly filed a notice of appearance in the bankruptcy case) [Doc. No. 37, filed on September 14, 2010] seeks to be primary counsel now to Jeffrey Baron individually. The court signed an order on October 12, 2010 allowing Martin Thomas to represent Mr. Baron (with Gary Lyon) in the bankruptcy case.

⁹ Attorney Stanley Broome (who has newly sued Pronske & Patel for Jeffrey Baron in September 2010) has filed a notice of appearance for Jeffrey Baron in the bankruptcy case [Doc. No. 438, filed September 15, 2010].

¹⁰ Attorney James Eckles filed a notice of appearance for Quantec, LLC on September 21, 2010 [Doc. No. 450]. He has already filed a request that the court interpret part of the Global Settlement Agreement in a way that the court found unsupportable. His request was stricken. It appears to the bankruptcy court that Mr. Eckles is acting primarily for Mr. Baron, individually. He admitted that he had

lawyers have appeared for the Virgin Island entities of which Jeffrey Baron is the beneficiary including (i) Eric Taube (Hohmann, Taube & Summers), (ii) Hitchcock Everitt LLP, (iii) Craig Capua (West & Associates, LLP), and (iv) Shririg Jete Becket Tackett.

Jeffrey Baron's habit of hiring and then firing lawyers, in many cases after they have incurred significant fees on his or Ondova's behalf (or on behalf of other entities he controls or is beneficiary of), has grown to a level that is more than a little disturbing. As the court noted in court on September 15, 2010, at the very least, it smacks of the possibility of violating Rule 11 (i.e., it suggests a pattern of perhaps being motivated by an improper purpose, such as to harass, cause delay, or needlessly increase the cost of litigation for other parties). Still more troubling is the possibility to the court that Jeffrey Baron may be engaging in the crime of theft of services. See Texas Penal Code §§ 31.01(6) & 31.04 ("A person commits theft of service if, with intent to avoid payment for service that he knows is provided only for compensation: (1) he intentionally or knowingly secures performance of the service by deception, threat, or false token"; "services" includes "professional services"). This crime can be a misdemeanor or a felony—depending on the amount involved. If Jeffrey Baron is constantly engaging lawyers

represented Mr. Baron individually in another matter.

without ever intending to pay them the full amounts that they charge, and then terminating them when they demand payment, this court is troubled that there are possibly criminal implications for Jeffrey Baron.

The bankruptcy court has announced that it will not allow this pattern to occur any further in these proceedings, and Jeffrey Baron will not be allowed to hire any additional attorneys. Mr. Baron has been told that he can either retain Gary Lyon and Martin Thomas through the end of the bankruptcy case (which this court does not expect to last much longer) or he can proceed *pro se*. The bankruptcy court has further warned Mr. Baron that if he chooses to proceed *pro se* and does not cooperate in connection with final consummation of the Global Settlement Agreement, he can expect this court to recommend to His Honor that he appoint a receiver over Mr. Baron, pursuant to 28 U.S.C. §§ 754 & 1692, to seize Mr. Baron's assets and perform the obligations of Jeffrey Baron under the Global Settlement Agreement.¹¹

III. RECOMMENDATION.

As alluded to above, the bankruptcy court's concerns over the above hiring and firing of lawyers by Mr. Baron is multi-faceted (e.g., Rule 11 implications; frustration of the Global

¹¹ The bankruptcy court is concerned that it would not have the power to appoint a receiver over Mr. Baron, due to language in section 105(b) of the Bankruptcy Code.

Settlement Agreement; possible criminal theft of services, etc.). But, at this juncture, the bankruptcy court is perhaps most concerned about the risk that the bankruptcy estate has and will be exposed to administrative expense claims as a result of Mr. Baron's behavior (e.g., claims occurring during the post-bankruptcy time period, with regard to which payment may be sought from the Ondova bankruptcy estate, and which claims would "prime" pre-bankruptcy unsecured claims). For example, the Pronske & Patel law firm has taken the position that they are owed and have not been paid approximately \$200,000 incurred representing Mr. Baron. Pronske & Patel may seek a "substantial contribution" administrative expense claim against the Ondova bankruptcy estate (see 11 U.S.C. §503(b)(3)(D) & (4), which contemplate that an administrative expense claim may be allowed for a creditor or professional for a creditor who makes a "substantial contribution" in a case under chapter 9 or 11 of this title). Pronske & Patel have already filed a counterclaim against Mr. Baron in an adversary proceeding Mr. Baron has filed against them. Similarly, certain law firms who have represented the Virgin Island entities of which Jeffrey Baron is the beneficiary (specifically, Hohmann, Taube & Summers, Hitchcock Everitt LLP, West & Associates, LLP, and Shrurig Jete Becket Tackett) have filed a Motion for Allowance of Attorneys Fees Pursuant to the Supplemental Settlement Agreement in the Ondova

bankruptcy case [Doc. No. 452, on September 21, 2010], which represents that they have incurred approximately \$150,000 in fees, after the execution of the Global Settlement Agreement, as a result of status conferences and Show Cause hearings involving Mr. Baron and his entities and that there are specific provisions of certain settlement documents that may permit them to seek a court order allowing these to be paid. If the Ondova bankruptcy estate is imposed with administrative expense claims from these or other attorneys (the risk of which appears to be genuine), then it should be entitled to a claim for reimbursement against Mr. Baron or the entity that incurred the fees. It was because of this risk—and also because of the risk that the bankruptcy court believed it might ultimately find Jeffrey Baron in contempt of the bankruptcy court's order approving the Global Settlement Agreement—that the court ordered on September 16, 2010 [Doc. No. 441] that the Village Trust be instructed by Jeffrey Baron to immediately remit \$330,000 to the Ondova Bankruptcy Trustee as a "security deposit" against these risks. Bankruptcy Trustee Daniel Sherman currently holds this \$330,000 of funds, pending further orders of the court.

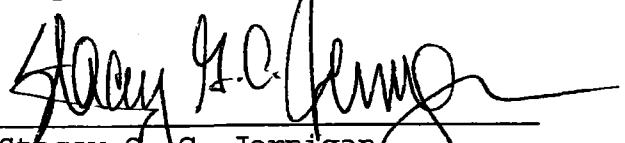
The bankruptcy court now recommends that His Honor appoint his Special Master, Peter Vogel, to conduct a global mediation among Daniel Sherman, Jeffrey Baron, and the various attorneys who may make a claim to this \$330,000 of funds or otherwise may

assert an administrative expense claim against the Ondova bankruptcy estate, in respect of attorneys fees they incurred postpetition for services provided to Jeffrey Baron or entities he controls or is the beneficiary of, and which services may have provided a substantial contribution to the estate. This court has subject matter jurisdiction to make this recommendation, as there could conceivably be an impact on the Ondova bankruptcy estate, if attorneys who represented Jeffrey Baron and his related entities go unpaid and make "substantial contribution" claims against the bankruptcy estate. The bankruptcy court believes that some of these "substantial contribution" claims could be meritorious.

The bankruptcy court has been informed that Mr. Vogel agrees to perform a mediation and that he and Bankruptcy Trustee Sherman are prepared to recommend a format and structure for the mediation and for the participants. The bankruptcy court would defer to Mr. Vogel, Mr. Sherman, and His Honor with regard to the details of the mediation.

Dated: October 12, 2010

Respectfully submitted,



Stacey G. C. Jernigan
United States Bankruptcy Judge

EXHIBIT 13


**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC. ET AL.	§	
Plaintiff,	§	
	§	
v.	§	No. 3:09-CV-988-RF
	§	
JEFFREY BARON and ONDOVA	§	
LIMITED COMPANY, et. al.,	§	
Defendant.	§	

ORDER ADOPTING REPORT AND RECOMMENDATION OF THE UNITED STATES BANKRUPTCY JUDGE

BEFORE THE COURT is United States Bankruptcy Judge Stacey G.C. Jernigan's Report and Recommendation (Docket No. 118), which recommends that this Court appoint Special Master, Peter Vogel, to conduct a global mediation among Bankruptcy Trustee Daniel Sherman, Jeffrey Baron, and the various attorneys who may make a claim for reimbursement against the Ondova bankruptcy estate. After due consideration, the Court is of the opinion that the Bankruptcy Judge's Report and Recommendation should be ADOPTED IN ITS ENTIRETY. An Order appointing Special Master, Peter Vogel, as mediator of this dispute shall be entered.

Signed this 19th day of October, 2010.



Royal Furgeson
Senior United States District Judge

EXHIBIT 14

**ONDOVA LIMITED COMPANY
(Chapter 11 Debtor)**

**PRE-BANKRUPTCY CLAIMS FILED BY LAWYERS OR LAW FIRMS
THAT BARON REFUSED TO PAY**

<u>FIRM</u>	<u>AMOUNT</u>
Aldous Law Firm Attention: Charla Aldous 2305 Cedar Springs, Suite 200 Dallas, TX 75201	Resolved for \$200,000
Bennett, Weston & LaJone 1750 Valley View Lane, Suite 120 Dallas, TX 75234	\$1,100.41
Bickel and Brewer Attention: John Bickel 1717 Main Street, Suite 4800 Dallas, TX 75201	\$42,500.00
Carrington, Coleman, Sloman & Blumenthal, LLP Attn: J. Michael Sutherland 901 Main Street, Suite 5500 Dallas, TX 75202	\$224,223.27
Davis & Beverly, PLLC 1221 Merit Drive, Suite 1660 Dallas, TX 75251	\$11,071.50
Fee Smith Sharp & Vitullo, LLP Attn: Louis Vitullo 13155 Noel Road, Suite 1100 Dallas, TX 75240 Telephone: (972) 934-9200 Facsimile: (972) 934-9200 E-mail: lvitullo@feesmith.com	\$21,404.94
Friedman and Feiger, L.L.P. Attn: Ryan Lurich 5301 Spring Valley Rd., Ste. 200 Dallas, TX 75254 Telephone: (972) 788-1400 Facsimile: (972) 788-2667 E-mail: rlurich@fflawoffice.com	unknown
Giordani Schurig Beckett Tackett LLP 100 Congress Avenue, Suite 2200 Austin, TX 78701	\$12,443.33

**ONDOVA LIMITED COMPANY
(Chapter 11 Debtor)**

**PRE-BANKRUPTCY CLAIMS FILED BY LAWYERS OR LAW FIRMS
THAT BARON REFUSED TO PAY**

<u>FIRM</u>	<u>AMOUNT</u>
Law Offices of Rajiv Jain 10 Corporate Park, Suite 315 Irvine, CA 92612	\$1,379.51
Kerr & Wagstaffe LLP 100 Spear Street, Suite 1800 San Francisco, CA 94105	\$3,335.36
Kevin F. D'Amour, P.C. P. O. Box 10829 St. Thomas, VI 00801	\$1,178.00
Lackey Hershman 3102 Oak Lawn Ave., Suite 777 Dallas, TX 75219	\$6,383.58
Nace & Motley, LLP Attn: Kristy Motley 100 Crescent Court, 7 th Floor Dallas, TX 75201	\$20,073.00
Newman & Newman 505 Fifth Avenue South, Suite 610 Seattle, WA 98104	17,572.86
Owens, Clary & Aiken, L.L.P. 700 North Pearl Street, Suite 1600 Dallas, TX 75201	\$4,887.14
Pronske and Patel Attn: Gerrit Pronske 2200 Ross Avenue, Suite 5350 Dallas, TX 75201 Telephone: (214) 658-6500 Facsimile: (214) 658-6509 E-mail: gpronske@pronskepatel.com	\$9,678.26
Rasanksy Law Firm Attn: Jeff Rasansky 2524 McKinnon, Suite 625 Dallas, TX 75200	Resolved for \$200,000

**ONDOVA LIMITED COMPANY
(Chapter 11 Debtor)**

**PRE-BANKRUPTCY CLAIMS FILED BY LAWYERS OR LAW FIRMS
THAT BARON REFUSED TO PAY**

<u>FIRM</u>	<u>AMOUNT</u>
Reed Smith LLP Raymond Cardozo Dept. 33489 P. O. Box 39000 San Francisco, CA 94139	\$5,000.00
Reyna, Hinds & Crandall 1201 Elm, Suite 3850 Dallas, TX 75270	\$14,875.74
Riney Palter PLLC 5949 Sherry Lane, Suite 1616 Dallas, TX 75225-8009	\$5,141.03
Rowbotham and Associates Attn: Rich Rowbotham 101 Second Street, Suite 1200 San Francisco, CA 94105	\$35,821.00
Randal C. Shaffer The Law Office of Randal C. Shaffer P. O. Box 5129 Dallas, TX 75208	\$30,897.50
Law Offices of Graham R. Taylor 101 Montgomery St., Ste. 2050 San Francisco, CA 94104	\$26,950.00
Thompson & Knight LLP 1722 Routh St., Suite 1500 Dallas, TX 75201-2533	\$1,579.50
TOTAL	\$697,495.93

EXHIBIT 15

**ONDOVA
UNPAID BARON ATTORNEYS' FEES
ACCRUED SINCE ONDOVA BANKRUPTCY FILING**

<u>FIRM</u>	<u>AMOUNT</u>
Gerrit Pronske Pronske and Patel 2200 Ross Avenue, Suite 5350 Dallas, TX 75201 Telephone: (214) 658-6500 Facsimile: (214) 658-6509 E-mail: gpronske@pronskepatel.com	\$241,172.70
Michael B. Nelson, Esq. Attorney & Counselor at Law 2500 Old Crow Canyon Road Bldg. 200, Ste. 225 San Ramon CA 94583 Telephone: (925) 977-8000 Fax: (925) 977-8195 Email: brittany@michaelbnelson.net	\$22,101.05
Dean Ferguson 4715 Breezy Point Dr. Kingwood, TX 77345 Telephone: (713) 834-2399 E-mail: dean@dwferglaw.com	\$20,000.00
Robert J. Garrey, P.C. 114 Salsbury Cir. Murphy, TX 75094	\$1,000,000.00
Jeffrey T. Hall Attorney at Law 7242 Main Street Frisco, TX 75034 Telephone: (972) 335-8346 Facsimile: (972) 335-9191 E-mail: jthallesq@gmail.com	\$5,000.00
Gary G. Lyon P. O. Box 1227 Anna, TX 75409 Telephone: (972) 977-7221 Facsimile: (214) 831-0411 E-mail: glyon.attorney@gmail.com	Unknown

**ONDOVA
UNPAID BARON ATTORNEYS' FEES
ACCRUED SINCE ONDOVA BANKRUPTCY FILING**

<u>FIRM</u>	<u>AMOUNT</u>
David L. Pacione 2911 Turtle Creek Blvd. #900 Dallas, TX 75219 Telephone: (214) 236-0593 E-mail: davidpacione@usa.net	\$47,763.80
Mark Taylor Powers Taylor LLP 8150 North Central Expressway, Suite 1575 Dallas, Texas 75206 Telephone: (214) 239-8900 Facsimile: (214) 239-8901 E-mail: mark@cptlawfirm.com	\$78,058.50
Louie Vitullo Fee Smith Sharp & Vitullo, LLP 13155 Noel Road, Suite 1100 Dallas, TX 75240 Telephone: (972) 934-9200 Facsimile: (972) 934-9200 E-mail: lvitullo@feesmith.com	\$22,988.60
Ryan Lurich Friedman and Feiger, L.L.P. 5301 Spring Valley Rd., Ste. 200 Dallas, TX 75254 Telephone: (972) 788-1400 Facsimile: (972) 788-2667 E-mail: rlurich@fflawoffice.com	\$40,000.00
Stephen Jones Jones, Otjen & Davis 114 East Broadway, Suite 1100 P. O. Box 472 Enid, OK 73702-0472 Telephone: (580) 242-5500 Facsimile: (580) 242-4556 E-mail: sjones@stephenjoneslaw.com	Unknown

**ONDOVA
UNPAID BARON ATTORNEYS' FEES
ACCRUED SINCE ONDOVA BANKRUPTCY FILING**

FIRM

AMOUNT

Eric Taube
Hohmann, Taube & Sanders, LLP
100 Congress Avenue, 18th Floor
Austin, TX 78701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248
E-mail: erict@hts-law.com

Estimated \$200,000
total for Hohman,
Taube & Sanders,
LLP; Schurig Jetel
Beckett Tackett; and
West & Associates

Elizabeth Schurig
Schurig Jetel Beckett Tackett
100 Congress Avenue, 22nd Floor
Austin, TX 78701
Telephone: (512) 370-2732
Facsimile: (512) 370-2751
E-mail: eschurig@sjbt.com

Estimated \$200,000
total for Hohman,
Taube & Sanders,
LLP; Schurig Jetel
Beckett Tackett; and
West & Associates

Craig Capua
West & Associates
320 South R.L. Thornton Freeway
Suite 300
Dallas, TX 75203
Telephone: (214) 941-1881
Facsimile: (214) 941-1399
E-mail: craig.c@westllp.com

Estimated \$200,000
total for Hohman,
Taube & Sanders,
LLP; Schurig Jetel
Beckett Tackett; and
West & Associates

John Cone
Hitchcock Evert LLP
750 North St. Paul Street, Suite 1110
Dallas, TX 75201
Telephone: (214) 953-1111
Facsimile: (214) 953-1121
E-mail: jcone@hitchcockeveret.com

Unknown

Broome Law Firm, PLLC
Stanley D. Broome
105 Decker Court, Ste. 850
Irving, TX 75062
sbroom@broomelegal.com

\$28,175.03

Sidney B. Chesnin
Attorney at Law
4841 Tremont, Suite 9
Dallas, Texas 75246

\$4,952.60

**ONDOVA
UNPAID BARON ATTORNEYS' FEES
ACCRUED SINCE ONDOVA BANKRUPTCY FILING**

<u>FIRM</u>	<u>AMOUNT</u>
James M. Eckels, Esq. 7505 John Carpenter Freeway Dallas, TX 75247 jamesmeckels@gmail.com	\$7,000.00
Joshua E. Cox Attorney at Law P. O. Box 2072 Keller, TX 76244 j.cox.email@gmail.com	\$2,718.75
	TOTAL \$1,719,930.93

EXHIBIT 16

ONDOVA LIMITED COMPANY

**POST-PETITION LAWSUITS
AGAINST JEFFREY BARON**

STYLE

Cause No. 366-04714-2010; *Robert J. Garrey v. Jeffrey Harbin, Jeffrey Baron, The Village Trust, Quantec LLC, and Novo Point LLC*; in the 366th Judicial District Court of Collin County, Texas

Cause No. JC 100721N; *Jeffrey T. Hall v. Jeffrey Baron*, in the Justice Court, Precinct 3, Place, 3, Dallas County, Texas

Cause No. DC-10-05339-K; *Fee, Smith, Sharp & Vitullo, LLP v. Jeff Baron*, in the 192nd Judicial District Court of Dallas County, Texas

Cause No. DC-10-12100-B; *Friedman & Feiger, LLP v. Jeffrey Baron*, in the 44th Judicial District Court of Dallas County, Texas

Cause No. DC-10-06464; *David L. Pacione v. Jeffrey Baron*; in the 101st Judicial District Court of Dallas County, Texas

EXHIBIT 17

ONDOVA LIMITED COMPANY

SECTION 503(b)(9) SUBSTANTIAL CONTRIBUTION CLAIMS

FIRM

AMOUNT

Hohmann, Taube & Sanders, LLP

NOT STATED

Attn: Eric Taube
100 Congress Avenue, 18th Floor
Austin, TX 78701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248
E-mail: erict@hts-law.com

Powers Taylor LLP

\$78,058.50

Attn: Mark Taylor
8150 North Central Expressway
Suite 1575
Dallas, Texas 75206
Telephone: (214) 239-8900
Facsimile: (214) 239-8901
E-mail: mark@cptlawfirm.com

Pronske and Patel

\$241,172.70

Attn: Gerrit Pronske
2200 Ross Avenue, Suite 5350
Dallas, TX 75201
Telephone: (214) 658-6500
Facsimile: (214) 658-6509
E-mail: gpronske@pronskepatel.com

EXHIBIT 18

FILED

FRIEDMAN & FEIGER, L.L.P.,

IN THE DISTRICT COURT

2010 FEB 11 1:01

Plaintiff,

§
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§

GARY FITZGERALD
DISTRICT CLERK
DALLAS CO., TEXAS

vs.

44th JUDICIAL DISTRICT DEPUTY

JEFFREY BARON and
THE VILLAGE TRUST,

Defendants.

DALLAS COUNTY, TEXAS

PLAINTIFF'S SECOND AMENDED ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, Friedman & Feiger, L.L.P. ("Plaintiff" or "F&F") and files this its Plaintiff's Second Amended Original Petition complaining of and against Jeffrey Baron ("Baron") and The Village Trust ("Trust") (Baron and the Trust are collectively referred to as the "Defendants"), and for cause would respectfully show unto the Court as follows:

I.

DISCOVERY CONTROL PLAN

1. This case is intended to be conducted under discovery level 2 in accordance with Texas Rule of Civil Procedure 194.3.

II.

PARTIES

2. Friedman & Feiger, L.L.P. is a Texas limited liability partnership doing business in Dallas County, Texas.

3. Jeffrey Baron is an individual who resides in Dallas County, Texas and may be served with process at his residence located at 2200 E. Trinity Mills Road, Carrollton, Texas 75006.

4. The Village Trust is a trust organized under the laws of the Cook Islands. The

Village Trust has entered an appearance in bankruptcy case no. 09-34784-SGJ-11, *In re Ondova Limited Company*; pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division. Adrian Taylor is the trustee of the Asia Trust, Ltd., which is the trustee of The Village Trust. The Village Trust and Mr. Taylor have consented to the jurisdiction of Texas in proceedings before the bankruptcy court. Adrian Taylor may be served with process by serving him at his principal place of business, located at Asia Trust, Ltd, Level 2, BCI House, P.O. Box 822, Rarotonga, Cook Islands. Alternatively, The Village Trust has transacted business within the State of Texas and is amenable to service of process in accordance with the Texas Long Arm Statute through the Texas Secretary of State.

III.
JURISDICTION & VENUE

5. Jurisdiction is proper in this Court as the damages fall within the jurisdictional limits of this Court.

6. Venue is proper in Dallas County, Texas, because it is the county in which all or a substantial part of the events or omissions which give rise to the claims set forth below occurred. Tex. Civ. Prac. Rem. Code § 15.002. Further, venue is proper in Dallas County, Texas, because the contract, made the basis of this suit, was entered into in Dallas County, Texas and to be performed in Dallas County, Texas. Tex. Civ. Prac. Rem. Code § 15.035.

IV.
BASIS OF SUIT

7. This is a suit brought by F&F to collect the balance owed from Defendants for legal services provided to Baron at the specific request of Baron.

V.
FACTS

8. On or about June 23, 2009, Baron retained F&F in connection with a lawsuit

styled: Civil Action No. 3:09-CV-0988-M, *Netsphere, Inc., Manila Industries, Inc. and Munish Krishan v. Jeffrey Baron and Ondova Limited Company*; pending in the United States District Court for the Northern District of Texas, Dallas Division (the "Lawsuit"). At that time, Baron signed a written fee agreement with F&F, memorializing a contract for legal services.

9. Baron represented that he was unable to personally pay for F&F's services, but that the Trust would pay and be responsible for paying F&F's fees for services rendered. In fact, the Trust wire transferred the initial retainer to F&F prior to it commencing any work on Baron's behalf. Based upon this representation, F&F agreed to provide legal services for Baron.

10. Shortly thereafter, on or about July 1, 2009, at a hearing in the Lawsuit, the Court, based upon its concern that Baron and Ondova Limited Company ("Ondova") had changed counsel as a tactic to delay proceedings, ordered that F&F was lead counsel for Baron and Ondova, that Baron and Ondova must first obtain approval from the Court to employ new or additional counsel, and that F&F would not be permitted to withdraw. The Court also ordered that monetization monies that were to be paid to Baron and Ondova be paid into F&F's trust account to secure the payment of F&F's fees for services rendered and to be rendered.

11. On July 27, 2009, Ondova filed a voluntary petition under Title 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas. As of that point in time, F&F no longer had authority to represent Ondova. While F&F did file an application to be employed as special counsel for Ondova, that application was subsequently withdrawn by agreement after the Bankruptcy Court appointed a Chapter 11 Trustee over Ondova. But, F&F continued to represent Baron in the Lawsuit.

12. Subsequently, an irreconcilable conflict of interest developed between F&F and Baron, which forced F&F to file a Motion to Withdraw from continuing to represent Baron in the Lawsuit.

13. At that time, Baron owed F&F approximately 40,000. Prior to F&F's withdrawal being approved by the Honorable Royal Furgeson, F&F and Baron reached a settlement regarding the outstanding balance owed to F&F. And on January 29, 2010, the Honorable Royal Furgeson entered an Order Granting Friedman & Feiger, L.L.P.'s Motion to Withdraw.

14. There were several terms of the settlement that were performed by both F&F and Baron at the hearing before the Honorable Royal Furgeson on January 29, 2010. In addition to the terms that have already been performed, F&F agreed to the \$40,000 outstanding balance down to \$25,000 in exchange for and conditioned on Baron's immediate payment thereof. Notwithstanding, F&F's full performance of the terms of the settlement, Baron breached his agreement to pay F&F the reduced amount of \$25,000 in full satisfaction of the outstanding fees owed to F&F immediately.

15. As a result of Baron's failure to honor the settlement agreement, he is not entitled to a reduction of the amount he owes F&F for services rendered. Accordingly, after applying all just and lawful payments, credits, and offsets, the total value of the services provided by F&F on Baron's behalf in the Lawsuit and still owing is approximately \$40,000.

16. Demand has been made on Baron on numerous occasions. Notwithstanding, Baron has failed and refused, and continues to fail and refuse, to pay F&F its outstanding fees and expenses owed for services rendered in the Lawsuit after July 27, 2009.

VI. CLAIMS

Count One -- Breach of Contract

17. F&F incorporates and realleges the allegations set forth above.

18. At the request of Baron, F&F provided legal services to Baron. Baron agreed to pay F&F its usual and customary charges for the services rendered.

19. To date, notwithstanding F&F's demands, Baron has failed and refused, and continues to fail and refuse, to pay F&F for the services rendered.

20. As a result of Baron's breach of contract, Baron has proximately caused actual damages to F&F in the approximate amount of \$49,000, plus consequential damages and pre and post judgment interest as allowed by law.

Count Two – Quantum Meruit

21. F&F incorporates and realleges the allegations set forth above.

22. Pleading in the alternative, if such be necessary, the legal services furnished to Baron were provided under such circumstances that Baron knew that F&F, in performing legal services, expected to be paid F&F's usual and customary charges for such services. The legal services provided to Baron were for the benefit of Baron. Baron would be unjustly enriched, and F&F unjustly penalized, if Baron was allowed to retain the benefits of such services without paying for them.

23. As a result of Baron's failure and refusal to pay for the legal services rendered, Baron has proximately caused actual damages to F&F in the approximate amount of \$49,000, plus consequential damages and pre and post judgment interest as allowed by law.

Count Three – Attorney's Fees

24. F&F incorporates and realleges the allegations set forth above.

25. In accordance with Tex. Civ. Prac. & Rem. Code §38.01 *et. seq.*, F&F is entitled to recover its reasonable attorney's fees incurred in prosecuting this action. F&F presented the above-described claim to Baron, but Baron has failed and refused to tender the just amount owed.

26. As a result of Baron's failure and refusal to pay the claims, F&F has been required to obtain legal counsel to bring this suit. F&F is, therefore, entitled to recover an

additional sum to compensate it for the reasonable attorney's fees incurred in bringing this suit, with further and subsequent awards of attorney's fees in the event of appeals from this Court.

Count Four – Fraud

27. F&F incorporates and realleges the allegations set forth above.

28. Defendants made material misrepresentations of fact to Plaintiff. Defendants' representations were false and they knew the representations were false or acted with reckless disregard to the truth or falsity of the representations. Defendants intended that Plaintiff act upon the false representations when agreeing to perform legal services on behalf of Baron and Plaintiff did rely on the false misrepresentations to its detriment and damage. Furthermore, Plaintiff will show that Defendants' conduct, as described above, was willful and malicious and, as a result, Plaintiff is entitled to recover exemplary damages to deter such conduct by others in the future.

29. As a result of Defendants' fraud, Plaintiff has suffered actual, consequential, and incidental damages.

30. As a further result of Defendants' fraud, Plaintiff is entitled to recover punitive damages.

Count Five – Alter Ego

31. F&F incorporates and realleges the allegations set forth above.

32. Baron is the settlor and beneficiary of the Trust. Baron has used the Trust as a sham and to perpetuate actual fraud upon Plaintiff.

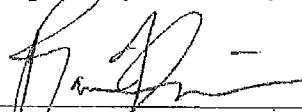
33. Plaintiff will show that the identity of the Trust and Baron are in substance one and the same; that the Trust is but the alter ego of Baron, acting solely as a conduit for the performance of Baron's personal and business endeavors, and a device to cause harm, defraud or prejudice to those dealing with them. As a consequence, the Trust should be held responsible for any and all liabilities found against Baron.

VII.
CONDITIONS PRECEDENT

31. All conditions precedent necessary for F&F to have and recover in this action have been performed, have occurred, or have been waived.

WHEREFORE, PREMISES CONSIDERED, Friedman & Feiger, L.L.P. respectfully requests that process issue and be served on Jeffrey Baron and The Village Trust; that, upon final hearing, F&F have and recover judgment from and against Baron in the amounts set forth above, for reasonable attorney's fees incurred by F&F to prosecute this action, for costs and expenses of suit herein, for pre-judgment and post-judgment interest on all monetary relief sought herein at the highest rates allowed by law; for punitive damages; and, for such other and further relief, both general and special, at law and in equity, to which Friedman & Feiger, L.L.P. may be justly entitled.

Respectfully submitted,



Lawrence J. Friedman
Texas Bar No. 07469300
Ryan K. Lurich
Texas Bar No. 24013070

FRIEDMAN & FEIGER, L.L.P.
5301 Spring Valley Road, Suite 200
Dallas, Texas 75254
(972) 788-1400 (Telephone)
(972) 776-5313 (Telecopier)
lfriedman@fflawoffice.com
rlurich@fflawoffice.com

ATTORNEYS FOR PLAINTIFF
FRIEDMAN & FEIGER, L.L.P.

EXHIBIT 19

CAUSE NO. JC 1000721N

JEFFREY T. HALL,
Plaintiff,

vs.

JEFFREY BARON,
Defendant.

IN THE JUSTICE COURT

PRECINCT 3, PLACE 3

DALLAS COUNTY, TEXAS

§
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DALLAS COUNTY
PRECINCT 3, PLACE 3
JUSTICE OF THE PEACE

10 SEP -3 PM 2:56

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, Plaintiff, Jeffrey T. Hall ("Hall"), complaining of Defendant, Jeffrey Baron ("Baron") and, for causes of action, would respectfully show unto this Court the following:

I.

SERVICE

Defendant, Jeffrey Baron, is an individual who may be served with process at his residence located at 2200 E. Trinity Mills, #106, Carrollton, Dallas County, Texas 75006 or wherever else he may be found.

II.

JURISDICTION AND VENUE

The Court has jurisdiction over the controversy because the damages are within the jurisdictional limits of the Court. Venue is proper in Dallas County, Texas.

III.

FACTS

Hall is an attorney. Baron retained Hall to represent Baron in several lawsuits to which Baron was a Defendant. Over the course of this representation, Hall and Baron (the "Parties") had a written fee agreement that was modified by agreement of the parties and ratified by the Parties' course of performance. Alternatively, pursuant to an open account, Hall agreed to provide Baron with legal services (the "Services") in return for Baron's promise to pay for the same. The Services were provided at the special insistence of Baron and in the regular course of business. Baron accepted the Services and agreed to pay Hall his designated fee, which is reasonable and customary fee for such services.

Thereafter, Baron's account became past due for services provided through the end of March 2010. Hall called and sent notice communications to Baron requesting payment for the Services requested and accepted by Baron. Despite the demands made by Hall, Defendant failed and refused, and continues to fail and refuse, to pay Hall for the outstanding amounts due on his account through the end of March 2010. After all just and lawful credits, payments and offsets have been allowed, Baron presently owes Hall \$5,000.00 for Services provided through the end of March 2010. The open account consists of the following open invoice:

Invoice No.	Date:	Amount Still Owing:
252	4/13/10	\$5,000.00

All conditions precedent to Hall's right to recover in this matter has been fulfilled, have occurred, or have been waived.

IV.

CAUSES OF ACTION

COUNT ONE: BREACH OF CONTRACT

Each of the foregoing paragraphs is incorporated and reasserted herein by reference.

Hall provided and delivered Services to Baron pursuant to the contract between the parties. The Services were provided at the request of Baron. Baron accepted the Services and agreed to pay Hall the agreed fee, which is a reasonable, usual and customary fee for such services. Baron has not paid and continues to refuse to pay Hall under the Contract. Hall has been damaged under the contract in the amount of \$5,000.00.

Hall has demanded that Baron pay the amount due and has indicated that Hall would commence suit for collection of the full amount due, plus interest, court costs and attorneys' fees, if Baron failed to pay the amount due and owing.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

COUNT TWO: SWORN ACCOUNT

Each of the foregoing paragraphs is incorporated and reasserted herein by reference.

In the ordinary course of its business, Hall provided and delivered the Services to Baron. The Services were provided at the request of Baron. Baron accepted the Services and agreed to pay Hall the agreed fee, which is a reasonable, usual and customary fee for such services. A systematic record of the Services was kept. This account is evidenced and supported by the Affidavit of Hall and the invoice that is attached thereto, all of which are attached hereto as *Exhibit "A"* and incorporated herein by reference.

Despite demand by Hall for payment, Baron has defaulted in making payment on the account. The principal amount due Hall on the account, after all just and lawful offsets credits and payments have been allowed, is \$5,000.00.

Hall has demanded that Baron pay the amount due and has indicated that Hall would commence suit for collection of the full amount due, plus interest, court costs and attorneys' fees, if Baron failed to pay the amount due and owing.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

COUNT THREE: QUANTUM MERUIT

Each of the foregoing paragraphs are incorporated and reasserted herein by reference.

In the alternative, Hall, acting in the ordinary course of business, furnished Baron with the Services as detailed above. Baron received and accepted the Services thereby unjustly enriching Baron at Hall's expense. Baron knew, or should have known, that the Services were provided in anticipation of compensation and were not furnished gratuitously. After all offsets, payments and credits, the reasonable unpaid value of the Services delivered is \$5,000.00. Despite demand, Baron has wrongfully refused to pay the fair value of the Services retained, for which sum Hall sues.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

ATTORNEYS' FEES

Each of the foregoing paragraphs are incorporated and reasserted herein by reference.

Hall has previously presented Baron with written demand for his claims as stated herein. Despite demand, Baron has failed and refused to pay the balance due. As a result, Hall has been required to retain the law firm of Jeffrey T. Hall, Attorney, to enforce Hall's rights and has

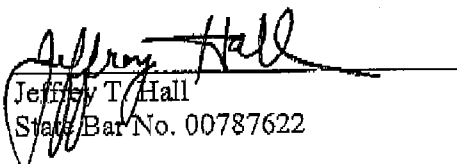
agreed to pay the firm a reasonable fee for its services. Hall has incurred, and will continue to incur, reasonable attorneys' fees, which he seeks to recover as damages from Baron pursuant to the Application, the Agreement, and Section 38.001(7) of the Texas Civil Practice and Remedies Code.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

WHEREFORE, PREMISES CONSIDERED, Hall requests that Baron be cited to appear and answer this Petition and that upon final hearing, Hall have judgment against Baron as follows:

1. for the full amount owed based on Count One, Count Two, and Count Three in the amount of \$5,000.00;
2. for reasonable and necessary attorneys' fees for pre-trial, trial and any subsequent appeal;
3. for pre-judgment interest at the highest rate permitted at law;
4. for post-judgment interest at the highest rate permitted at law;
5. for all costs of suit; and
6. for such other and further relief, at law and in equity, both general and special, to which Hall may be justly entitled to receive.

Respectfully submitted,


Jeffrey T. Hall
State Bar No. 00787622

7242 Main Street
Frisco, Texas 75034
(972) 335-8346 (Telephone)
(972) 335-9191 (Facsimile)

AFFIDAVIT OF JEFFREY T. HALL

STATE OF TEXAS §
 §
COUNTY OF DENTON §

BEFORE ME, the undersigned authority, on this day personally appeared JEFFREY T. HALL, who being by me duly sworn on his oath deposed and said:

1. "My name is JEFFREY T. HALL. I am of sound mind and capable of making this Affidavit. I am over the age of 18 years and have never been convicted of a felony nor any crime of moral turpitude. I am competent to testify to the matters contained in this Affidavit. Every statement made in this Affidavit is made on my personal knowledge and is true and correct.

2. "I am an attorney, licensed by the State of Texas since 1993, the person who provided the Services complained of to the Defendant, and I am duly authorized to execute this affidavit.

3. "Jeffrey Baron ("Baron") retained me to represent Baron in several lawsuits to which Baron was a Defendant. Over the course of this representation, Baron and I (the "Parties") had a written fee agreement that was modified by agreement of the parties and ratified by the Parties' course of performance. Furthermore, pursuant to an open account, I agreed to provide Baron with legal services (the "Services") in return for Baron's promise to pay me for the same. The Services were provided at the special insistence of Baron and in the regular course of business. Baron accepted the Services and agreed to pay me my designated fee, which is reasonable and customary fee for such services. On or about April 13, 2010, I presented Baron with the attached Invoice, a true and correct copy of which is attached hereto as *Exhibit "1"* and incorporated herein by reference.

Exhibit "A"

4. "Baron defaulted in making payments on the account, despite my demand upon Baron for payment.

5. "As a result of Baron's default, I had to engage Jeffrey T. Hall, Attorney, to pursue collection. The Attorney is charging \$350.00 per hour for his efforts in collecting this debt from Baron.

6. "Through the end of March 2010, the total amount owed and unpaid by Baron on the account is \$5,000.00. The unpaid amount of the account is just, true, due and payable and all lawful offsets, payments, and credits have been applied toward the amount due.

7. "I have read Plaintiff's Original Petition in the above-styled and numbered cause and the facts contained therein are within my personal knowledge and are true and correct."

FURTHER AFFIANT SAYETH NAUGHT.

Jeffrey T. Hall

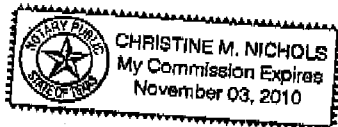
JEFFREY T. HALL

SUBSCRIBED AND SWORN TO BEFORE ME on this the 3 day of September,

2010, to certify which witness my hand and official seal.

Christine M. Nichols

Notary Public, in and for the
State of Texas



Jeffrey T. Hall
 Attorney at Law
 7242 Main Street
 Frisco, Texas 75034

Invoice

Date	Invoice #
4/13/2010	252

Bill To
Mr. Jeff Baron 2200 E. Trinity Mills Road, #106 Carrollton, Texas 75006

			Billing Atty	Project		
			JTH			
Date	Description	Timekeeper	Hours	Rate	Amount	
3/24/2010	Legal representation for February 1-28, 2010 pursuant to flat fee representation agreement.			10,000.00	10,000.00	
4/7/2010	Legal representation for March 1-31, 2010 pursuant to flat fee representation agreement.			15,000.00	15,000.00	
			Total		\$25,000.00	
			Payments/Credits		\$0.00	
			Balance Due		\$25,000.00	
			Job Total Balance		\$25,000.00	

Phone #
(972) 335-8346

Exhibit "1"

EXHIBIT 20

CAUSE NO. 366-04714-2010

ROBERT J. GARREY,

IN THE DISTRICT COURT

Plaintiff

v.

COLLIN COUNTY, TEXAS

JEFFREY HARBIN, JEFFREY
BARON, THE VILLAGE TRUST,
QUANTEC LLC, AND NOVO
POINT LLC,

Defendants.

366 JUDICIAL DISTRICT

PLAINTIFF'S FIRST AMENDED PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff files this lawsuit against Defendants Jeffrey Harbin, Jeffrey Baron, The Village Trust, Quantec LLC, Novo Point, LLC, as follows:

PARTIES

1. This lawsuit should be governed by Level II.
2. Plaintiff is a resident of Collin County Texas. Jurisdiction and venue are proper in the Court.
3. Defendant Harbin is a resident of Dallas County, Texas, and may be served where he is found or at his residence 6503 Camille Ave., Dallas, Texas 75252.
4. Defendant Baron is a resident of Dallas County, Texas, and may be served where he is found or at his residence 2200 E. Trinity Mills Road, Carrollton, Texas 75006.
5. Defendant The Village Trust, is a Cook Islands trust acting by and through its sole beneficiary, Baron. The "nominal" Trustee of the Trust is Mr. Brian Mason who is located at Asia Trust Ltd, Level 2, BCI House, P.O Box 822, Rarotonga, Cook Islands. Corporate

Page 1 of 6

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HANNAH KUNKLE
DISTRICT CLERK
COLLIN COUNTY, TEXAS
BY *Kunkle*

formalities have been ignored such that service on Defendant Baron, the sole beneficiary of the trust and the person directing its activities, is sufficient to constitute service of citation on The Village Trust. In addition, the Trust has consented to jurisdiction of the State of Texas by participating in legal proceedings in Texas, maintaining an office in Texas, and allowing Baron to manipulate the form of the Trust as part of his scheme to defraud creditors of the bankruptcy of one of his companies, Ondova Limited.

6. Quantec LLC is one of the shell entities controlled by Baron and, upon information and belief, is used as a shell entity to hide assets from Baron's creditors and creditors of Baron's former company, Ondova Limited. Quantec LLC is managed by Defendant Harbin. Corporate formalities have been disregarded and Baron directs and controls the activities of Quantec by and through Harbin, such that service on Harbin, the "Managing Agent" of Quantec LLC is sufficient to constitute service of citation on Quantec LLC.

7. Novo Point LLC is one of the shell entities controlled by Baron and, upon information and belief, is used as a shell entity to hide assets from Baron's creditors and creditors of Baron's former company, Ondova Limited. Novo Point LLC is managed by Defendant Harbin. Corporate formalities have been disregarded and Baron directs and controls the activities of Novo Point LLC by and through Harbin, such that service on Harbin, the "Managing Agent" of Novo Point LLC is sufficient to constitute service of citation on Novo Point LLC.

FACTS

8. Defendant Baron is a liar, cheat and thief. For more than three years he has embarked upon a plan and scheme to use shell companies and The Village Trust to defraud creditors and to circumvent orders from federal District Court and Bankruptcy Court judges.

Specifically, Baron-through his shell companies Quantec LLC and Novo Point LLC and the Village Trust- and with the assistance of Harbin routinely hire attorneys to represent their illegal interests then promptly refuse to pay them for the services rendered. Baron has been noted as a vexatious litigant by more than one Court, he has been accused of seeking to defraud creditors in a pending bankruptcy and he has violated court orders restricting his further ability to hire more lawyers. At the present time more than 15 lawyers and law firms are seeking recovery of money, ordered to be set aside by court order, for legal services rendered to Baron and The Village Trust and other entities controlled by Baron.

9. Baron, acting on his own behalf and on behalf of the entities he controls, and Harbin as the "Managing Agent" for Quantec LLC, and Novo Point, LLC hired Plaintiff as General Counsel for a minimum 3 month engagement. Defendants made promises to Plaintiff that he would be paid, that sufficient cash resources existed for him to be paid and that the operation Baron was running was adequately funded and presented an ongoing, viable business opportunity. However, none of that was true. Moreover, Defendants concealed from Plaintiff the true objective of their enterprise which was to circumvent court orders, continue a pattern of theft of legal services, and seek to disregard and flaunt court orders from federal District Court and Bankruptcy Court Judges. Based upon the promises made and without the benefit of the information withheld from him, Plaintiff left his law firm position and began work for Defendants on November 1, 2010. Before doing so, Plaintiff negotiated and the parties agreed to an engagement agreement with a minimum three month term.

10. Immediately upon reporting to work on November 1, 2010, Defendants changed the scope of Plaintiff's assignments. Instead of performing services as General Counsel for Quantec and Novo Point, Plaintiff was instructed by Baron to violate court orders, engage in

numerous questionable, if not fraudulent, transactions, and specifically assist him as he sought to steal legal services from private attorneys working for him directly and for his shell companies. The primary objective of Baron's conspiracy was to leverage the stolen legal services from *current* attorneys to pay as little money as possible to *previous* attorneys who were making claims against him and his shell companies in related litigation.

11. The second, and perhaps more egregious objective of Baron's conspiracy was the fact that Baron, upon information and belief, operated his shell companies- with the assistance of Harbin- as a common enterprise; moving money from one entity to another and directing the activities of all of the entities solely for his personal best interests in an attempt to emerge with ample financial resources from the shell entities to reconstitute his bankrupt company, Ondova Limited.

12. Once Plaintiff started to work for Defendants, Harbin became unavailable to Plaintiff. Harbin refused to take Plaintiff's calls or respond to emails. Also, Harbin refused to formally sign the engagement agreement that had been negotiated and agreed to by all parties.

13. The first payment due Plaintiff was due on November 15, 2010, and Harbin refused to pay it. His refusal is without cause or justification. Defendants refused to pay Plaintiff because he was advocating for the payment of all attorneys rendering services to Defendants and he was not in favor of violating court orders and refused to do so. All conditions precedent to the payment obligation have been performed. Indeed, in hindsight it appears very clear that Baron and Harbin's actions were part of an overall plan and conspiracy to steal legal services, perpetrate a fraud on Plaintiff and on various courts, in addition to breaching the agreement with Plaintiff.

CAUSES OF ACTION

7. Defendants entered into an agreement with Plaintiff pursuant to which Plaintiff was to provide legal services as General Counsel for Defendants for a minimum 3 month period of time. Plaintiff started work on November 1, 2010. The first payment was due Plaintiff on or before November 15, 2010. Defendants failed to pay Plaintiff as required. Thus, Defendants have breached the engagement agreement by failing and refusing to pay Plaintiff the sums agreed upon despite Plaintiff's work for Defendant. In the alternative, Plaintiff has provided services to Defendants for which he has not been paid and recovery, via quantum meruit is appropriate.

8. Defendant Harbin, acting individually and on behalf of the entities he managed, and Baron, acting individually and on behalf of the entities he controlled: The Village Trust, Quantec LLC and Novo Point LLC, made numerous false and misleading statements intended to induce Plaintiff to leave his law firm position to take the position of General Counsel for Defendants' various companies. At the time Defendants made such representations, they knew or should have known such statements were false, that they had no intention of following through with any of them, including, but not limited to payment to Plaintiff for services provided. In fact, Defendants expressly concealed from Plaintiff their pattern and practice of regularly hiring attorneys, requiring them to perform a great deal of work in a short period of time, and refusing to pay for such services, or their plan to seek to circumvent federal court orders. *Defendants regularly lie, cheat and steal professional services!* Plaintiff has suffered actual and consequential damages as a result of Defendants' fraud.

9. Defendants' actions were carried out intentionally, with malice and a specific intent to deceive. As a result the imposition of punitive damages is warranted.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiff respectfully requests that this Court, after final trial award: actual damages for breach of contract, attorneys fees and court costs, all actual damages resulting from Defendants' fraud, and an appropriate sum for punitive damages to punish and deter Defendants from continuing their fraudulent practices. Total damages sought will be no less than \$1,000,000.00.

Respectfully submitted,

By: Robert J. Garrey

Robert J. Garrey, P.C.
State Bar No. 07703420

114 Salsbury Cir.
Murphy, Texas 75094
(214) 478 9625 (Telephone)
bgarrey@gmail.com

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., et al.,

§

v.

§

Case No. 3:09-CV-00988-F

§

JEFFREY BARON, et al.

§

§

**RESPONSE TO MOTION TO VACATE OR STAY
APPOINTMENT OF RECEIVER**

TO THE HONORABLE ROYAL FURGESON, SENIOR U.S. DISTRICT COURT JUDGE:

COMES NOW Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 trustee of Ondova Limited Company ("Ondova"), and responds to the *Emergency Motion to Vacate Order Appointing Receiver and, in the alternative, Motion for Stay Pending Appeal, and Brief in Support* (Dkt. 137) ("Motion to Vacate") filed by Jeffrey Baron ("Baron"), respectfully stating:

Summary

1. The law supports the order appointing receiver. First, it is well-established that federal courts have inherent equitable power to protect the judicial system from vexatious litigants. District courts have discretion to impose appropriate sanctions in order to punish abuse of the judicial process and prevent future misconduct, including taking steps to limit access to the federal courts. The Supreme Court has made it clear that the power underlying those decisions is such that a district court should enter a sanction that will effectively address the situation. Second, with regard to the use of a receiver, Article III of the Constitution grants this Court all powers "at law and in equity," which includes the broad authority of the chancery courts, meaning the very power of the chancellor to the English crown. These courts created the position of receiver in order to go out from the court and carry out its orders when the court was concerned that otherwise the order would be ignored. Still today, federal courts appoint

receivers when it becomes necessary restrain a person bent upon an illegal course of action. For example, federal courts routinely use receivers to halt ongoing violations of federal law, such as securities fraud, when the record shows a reasonable likelihood that the wrongful conduct law will continue. The need for flexibility and hands-on management is another basis for the appointment of a receiver, and indeed federal courts place receivers in charge of carrying out their directives when judgment and management are necessary in order to do what must be done, and a court would otherwise be left to manage a situation by motion practice.

2. The appointment of a receiver was the only reasonable sanction. By latest count, Baron changed lawyers 17 times, just in this Court and the Bankruptcy Court alone, and he also ignored the Preliminary Injunction in this Court, violated discovery rules, violated Bankruptcy Code requirements, and so obstructed the efforts to employ a mediator that the claims that he has created cannot be resolved without court action. He violated the Preliminary Injunction even though it carried substantial monetary penalties. The task here is to halt the ongoing abuse of the judicial process, sort out the damage, prevent assets from being transferred further into Baron's complex asset protection structure, and advise both this Court and the Bankruptcy Court as to the proper application of those assets to the claims. Given Baron's demonstrated impunity to lesser sanction, and the nature of the task, a receiver is a natural choice. It is also the only solution presented by any of the parties. While Baron raises a number of legal challenges to the appointment, which are addressed below, he identifies no lesser sanction that would be effective to address the situation that he has created. The reasonableness of the appointment is also attested by a bankruptcy judge and bankruptcy trustee who are intimately familiar with Baron, by a special master who has attempted to mediate the claims at issue, and by the Court's own first-hand experience with Baron.

3. More than enough evidence of the subject conduct existed in the public record when the Court originally acted. Even so, the Trustee has compiled in an appendix a set of transcripts and court filings, and recounted the litigation history, including the many appearances and withdrawals of counsel. To the extent that the Court wishes to hear a response to Baron's declaration with regard to post-appointment developments, the Trustee is prepared to offer evidence at the scheduled hearing.

4. The Trustee has accordingly prepared draft findings and conclusions for the Court's consideration, and prays that the Court adopt the same and uphold the order.

Facts

5. As noted above, Baron has changed counsel at least 17 times just in this Court and the Bankruptcy Court, ignored this Court's orders and the rules of procedure here and in the bankruptcy proceedings, and consistently acted to delay and obstruct these proceedings however he could. The conduct has caused significant collateral damage to the other involved parties and the courts. It has become a litigation tactic. It is an abuse of the liberty otherwise afforded to civil litigants.

6. When this Court became involved in the interrelated string of proceedings on May 28, 2009, there were already six lawsuits pending in three jurisdictions concerning the original controversy, and Baron was then in the midst of attempting to escape a settlement that had not lived long enough to be documented beyond an MOU format.

7. This Court issued a number of early orders in an effort to compel compliance by Mr. Baron of that settlement. Baron demonstrated to the Court a lack of cooperation with those orders. Consistently, his conduct as a witness set new standards for an inability or unwillingness to respond to the question posed.

8. One of the more vexing of Baron's obstructive tactics has been his serial hiring and firing of counsel, which he uses to create delay and to drive up the cost for any party that seeks to obtain judicial relief. By the time that this action was transferred up from the Dallas County state court, Baron had already gone through at least five sets of lawyers there.

9. In this Court, Baron quickly changed counsel several more times, and ultimately nine times altogether.

10. Then, in an effort to evade a contempt sanction ordered by this Court on July 8, 2009, Baron created a further delay placing Ondova into a Chapter 11 Bankruptcy Case on July 27, 2009 (“Bankruptcy Case”) [Case No. 09-34784-56J-11].

11. Not long after, on September 17, 2009, Baron’s misconduct caused the Bankruptcy Court to appoint Mr. Sherman as Chapter 11 Trustee.

12. As the Trustee worked to once again resolve the complex multi-jurisdiction litigation that Baron had reignited, Baron continued the pattern of changing personal counsel in the bankruptcy proceedings. In those proceedings, Baron ultimately changed counsel eight more times, bringing the total to twenty-two if one includes the state court proceedings. Even once the Trustee finally once again attained terms of settlement acceptable across the board, Baron continued to obstruct the consummation of the settlement and the process of winding down the Ondova bankruptcy estate. One problem that seemed unresolvable was the fact that as Baron ran through counsel and continued to refuse to pay for services rendered, those counsel began to seek compensation from the bankruptcy estate, thus creating a renewable source of claims. The bankruptcy court attempted to resolve the situation by ordering an effort to mediate all of the legal fee claims against Baron. But, Baron could not or would not stick to the same counsel in order even to complete the mediations, and soon the Bankruptcy Court had three motions

pending on the legal claims and the mediation process that had been ordered was not being implemented.

13. On October 13, 2010, an exasperated Bankruptcy Judge sua sponte issued an order entitled Report and Recommendation to District Court Recommending that a Receiver be Appointed over Mr. Baron (attached as Exhibit B to Emergency Motion).¹ She pointed out that Baron had reached the point of violating criminal law by retaining lawyers with no intention of payment, and had clearly exceeded a tolerable level of abuse of the process through the various delay tactics including his personal favorite of repeatedly changing counsel.

14. As the Court is familiar with most of these facts, the Trustee will proceed to discuss the applicable law. A more complete history of the facts and background continues, however, in the Appendix to this Response (Exhibit C).

Argument and Authorities

I. THE APPOINTMENT SHOULD STAND.

15. The Court's order remains well-founded and necessary, and is not likely to be overturned on appeal. The Court has broad inherent authority to address vexatious litigants, and the appointment of a receiver to address such misconduct is within the Court's equitable powers and an appropriate remedy here.

16. With regard to Baron's assertions, the authorities he presents do not stand for the proposition that receivers may only handle insolvencies, nor do they hold that his Fifth Amendment due process rights trump those of the rest of the participants in the judicial system,

¹ The Trustee accordingly filed his Emergency Motion of Trustee for Appointment of a Receiver Over Jeffrey Baron ("Emergency Motion") on November 24, 2010, in this Court (Dkt. 123). This Court approved the Emergency Motion and appointed Peter Vogel as receiver for Baron on that same day (Dkt. 130). An additional copy of the Emergency Motion is attached hereto as Exhibit A. Judge Jernigan's order was attached thereto, and is included in Exhibit A hereto. An additional copy of the order appointing Mr. Vogel as receiver is attached hereto as Exhibit B.

nor do they hold that the Fourth Amendment prevents the Court from acting ex parte to appoint a receiver, something that is commonly done.

The Court Has Broad Discretion to Address Vexatious Litigants

17. The equitable power of the Court to enjoin a vexatious litigant is an ancient one that is inherent to an Article III court. *In re Hartford Textile Corp.*, 681 F.2d 895, 897 (2d Cir. 1982); *In re Martin-Trigona*, 763 F.2d 140, 141 (2d Cir. 1985) ("Federal courts have both the inherent power and the constitutional obligation to protect their jurisdiction from conduct which impairs their ability to carry out Article III functions."). The power has also been affirmed by Congress in the All Writs Statute, which provides that "The Supreme Court and all courts established by Act of Congress may issue all writs necessary in aid of their respective jurisdictions and agreeable to the usages and principles of law." 28 U.S.C. § 1651(a); *In re Hartford Textile*, 681 F.2d at 897; *Harrelson v. U.S.*, 613 F.2d 114, 116 (5th Cir. 1980).

18. The use of this power is entrusted to the district court's sound discretion. *Harrelson v. U.S.*, 613 F.2d at 116 (applying abuse of discretion standard of review).

19. The power is commonly applied to enjoin litigants who abuse the court system by harassing their opponents. *See, e.g., Harrelson v. U.S.*, 613 F.2d at (5th Cir. 1980) (affirming injunction against filing further suits); *In re Hartford Textile Corp.*, 681 F.2d 895, 897 (2d Cir. 1982) (affirming injunction that permanently enjoined both the vexatious litigant and her attorney from: (1) "proceeding further in any manner whatsoever" with the prosecution of the current matter (with some exceptions); (2) "relitigating or attempting to relitigate in any court of the United States, any of the claims, causes of action, or legal issues, that have been litigated already" in the current matter; and (3) "filing any further papers" in the current matter without further order of the Court); *In re Martin-Trigona*, 763 F.2d 140 (2d Cir. 1985) (affirming an

injunction which included, among other provisions, an order permanently enjoining the vexatious litigant "from initiating lawsuits or other matters in any federal, state, or local forum against persons or entities that have encountered him or had any connection with litigation").

20. A record that demonstrates a pattern of harassment is enough to send the Court into action. In prior proceedings of the *Martin-Trigona* case, the court made clear that where a history of litigation entailing "vexation, harassment and needless expense" was presented, the district court "had the power and the obligation to protect the public and the efficient administration of justice from Martin-Trigona's litigious propensities." *In re Martin-Trigona*, 737 F.2d 1254, 1262 (2d Cir. 1984).

21. The touchstone for the strength of the sanction is whether lesser sanctions would be effective. Again, in *Martin-Trigona*, the court explained that the sanction of injunctive relief was "fully appropriate, since other sanctions would not be effective." *Id.*

22. The Supreme Court has similarly stated that district courts have strong inherent powers and discretion to impose whatever sanctions are appropriate to address the abuse of the judicial process. In *Chambers v. Nasco, Inc.*, 501 U.S. 32 (1991), the Supreme Court addressed a bad faith appeal, and in so doing explained that the inherent power of the district court to address the conduct of a party who has litigated "in bad faith, vexatiously, wantonly, or for oppressive reasons" includes the right to dismiss the action outright and so therefore also includes lesser sanctions, such as awarding attorneys' fees. *Id.* at 44-46. Although cautioning that "because of their very potency, inherent powers must be exercised with restraint and discretion," a "primary aspect of that discretion is the ability to fashion an appropriate sanction for conduct which abuses the judicial process." *Id.* at 44-45.

23. Given the pattern of harassment and abuse that is plainly shown of record herein, it is clear that this Court possesses broad equitable authority to address the conduct of Baron as necessary. The question then becomes whether the equitable tool of the appointment of a receiver is the appropriate sanction in this case.

The Court Has Equitable Power to Appoint a Receiver to Address Baron's Misconduct

24. Baron does not identify any lesser sanction that he believes would be more appropriate to address the situation, nor has one been identified by Judge Jernigan, the Trustee, the Special Master (now Receiver), or this Court. Baron instead merely attacks whether the court's equitable power includes appointing a receiver for the purpose of restraining and repairing the particular abuse of the judicial process that is presented here. He suggests that receivers may only be used to handle insolvencies. There is considerable precedent to the contrary, which he entirely overlooks.

25. A "receiver is permissible and appropriate where necessary to protect the public interest and where it is obvious . . . that those who have inflicted serious detriment in the past must be ousted." *Securities and Exchange Commission v. R. J. Allen & Associates, Inc.*, 386 F. Supp. 866, 878 (S.D. Fla. 1974) (quoting *Securities and Exchange Commission v. Bowler*, 427 F.2d 190, 198 (4th Cir. 1970)).

26. Accordingly, receivers are routinely appointed in securities enforcement actions in order to halt an ongoing securities fraud. *SEC v. R.J. Allen*, 386 F. Supp. At 878 (citing a string of cases from various circuits).

27. In fact, in an early securities enforcement receivership case, the Second Circuit specifically approved the use of a receiver on the basis that "the primary purpose of the appointment was to promptly install a responsible officer of the court who could bring the

companies into compliance with the law, ascertain the true state of affairs . . . and report thereon to the court and the public shareholders and preserve the corporate assets." *SEC v. S&P National Corp.*, 360 F.2d 741, 750-51 (2nd Cir. 1966). As the court explained, the bankruptcy system was otherwise available to handle the general insolvency matters historically handled by receivers, and so it was the need to bring about compliance with the securities laws that called for the appointment of a receiver. *Id.*

28. This use of receivers is true to the original purpose of receivers, which was to address a party who was not likely to follow a court order. As Clark explains in the leading work on receivership law, the practice of appointing receivers that American courts received as a part of their chancery jurisdiction dates to Elizabethan times and arose on the basis that "the court at times was doubtful whether or not the party in possession of property, or collecting the rents of profits of the same, could or would properly obey the injunction" CLARK ON RECEIVERS, Vol. 1, § 4, at 4 (2d ed. 1959) (see also generally sections 4-6 on the origin of receivers).

29. In addition, when the implementation of a court's intended purpose requires someone to take charge of a complex matter, a federal court is not required to micromanage the situation with a series of specific orders, but may instead place a receiver in charge. In *Dixon v. Barry*, the court held that appointment of a receiver was necessary to insure a commission's implementation of court orders related to creation of a mental health system. *Dixon v. Barry*, 967 F. Supp. 535 (D. D.C. 1997). In that case, the court made clear that "a federal court has power to take broad remedial action to effectuate compliance with its orders. This equitable power includes the power to appoint a receiver." *Id.* at 550. The court further noted that "the most significant factor in the propriety of appointing a receiver is whether any other remedy is

likely to be successful." *See also Shaw v. Allen*, 771 F. Supp. 760 (S.D. W. Va. 1990) ("Where more traditional remedies, such as contempt proceedings or injunctions, are inadequate under the circumstances a court acting within its equitable powers is justified, particularly in aid of an outstanding injunction, in implementing less common remedies, such as a receivership, so as to achieve compliance with a constitutional mandate.").

30. Finally, whether the circumstances call for the appointment of a receiver is within the sound discretion of the court. *Securities and Exchange Commission v. R. J. Allen & Associates, Inc.*, 386 F. Supp. 866 (S.D. Fla. 1974).

31. As noted above, the task here is to halt the ongoing abuse of the judicial process, sort out the damage, prevent assets from being transferred further into Baron's complex asset protection structure, and advise both this Court and the Bankruptcy Court as to the proper application of those assets to the claims. A receiver fits the bill.

32. Plainly, Baron is incorrect that receivers may only be used to handle insolvencies. The cases that he cites do not so hold, but rather simply provide for the ability to use a receiver to handle an insolvency or creditor-debtor dispute, and the standards applicable in that particular circumstance.

The Fifth Amendment Is Not a Safe Harbor from which to Abuse Due Process

33. Baron's argues, based upon *Potashnick*, that no limits can be placed upon his due process right to counsel. But, the *Potashnick* case did not address the question of whether the Court may balance the rights of other litigants against such a right, nor did it concern a vexatious litigant. *Cf. Potashnick v. Port City Const. Co.*, 609 F.2d 1101, 1117-19 (5th Cir. 1980) (holding that concerns about witness coaching do warrant a complete bar against conferring with counsel on any subject). In addition, it is obvious that the right to legal advice is subject to limitation,

since, for example, a court may plainly supervise the appearance and withdrawal of counsel notwithstanding the desires of an individual litigant. *In re Wynn*, 889 F.2d 644, 646 (5th Cir. 1989) (explaining that the trial court may allow counsel to withdraw over a client's objection because the right to counsel is merely a general right to a "fair opportunity to secure counsel of his choice"). Also, there is precedent following the *Potashnik* where a court imposed a lesser limit upon access to counsel in order to balance the due process concern of preventing witness coaching. *Reynolds v. Alabama Dept. of Transp.*, 4 F. Supp. 2d 1055, 1064-1065 (M.D. Ala. 1998) (interpreting *Potashnik* as not precluding an order to counsel and a witness not to discuss the testimony during breaks in order to prevent witness coaching).

34. Most significantly, however, given the broad statements and holdings of the courts with regard to this Court's authority to curb an abuse of the right to due process, there is no doubt that the Court may properly balance competing constitutional rights, such as the due process rights of the other participants in the process and the right and duty of this Court to protect the judicial process from abuse, such that a party who abuses his rights may lose them. In this case the Court has not denied Baron his right to counsel; it has merely tried to limit the frequency with which he changes counsel as a litigation tactic.

The Fourth Amendment Does Not Bar the Appointment of a Receiver

35. With regard to Baron's Fourth Amendment complaint, the Fifth Circuit has held that the Fourth Amendment does not bar the appointment of a receiver to take property and to obtain private information, even where a receiver turned over seized materials to federal law enforcement officials. *U.S. v. Setser*, 568 F.3d 482, 487-90 (5th Cir. 2009). Obtaining a receiver on an ex parte basis is common where there are other reasons for expedited treatment, such as the

imminent transfer of certain valuable assets to an offshore entity, which in this case the Receiver had to immediately address upon his appointment.

II. THE HARM TO OTHERS AND THE PUBLIC INTEREST SUPPORT THE ORDER.

36. Baron completely refuses to recognize the competing rights of other participants in the judicial system. Their rights to due process are no less constitutional in character than his own. The damage that he has caused will naturally result in claims that can and should be properly satisfied from his property. The harmed individuals, the courts, and the public have a strong interest in stopping his abuse of the judicial process.

37. The record shows severe damage to these parties and the public interest. A detailed appendix is submitted herewith, which includes a lengthy procedural history. The Trustee also prays for leave to submit evidence to supplement the record further at the hearing currently scheduled with regard to the motion.

38. Sadly, Baron has reacted to the appointment entirely true to form. While receivers appointed in civil enforcement cases are acquainted with encountering challenging defendants, Baron appears to be seeking to set a new record for disdain and contempt for a federal appointment. His antics disclose no interest whatsoever in even recognizing the existence of the issues that led to the appointment, much less in resolving them. Much of the damage that he identifies could be mitigated by a cooperative approach.

Conclusion

39. Thomas Jefferson is well-remembered for having said "That government is best which governs the least," and this quote is often used to support the argument for maximum personal liberty. But what many do not know is that Jefferson went on to say: "... because its people discipline themselves." Theodore Roosevelt echoed Jefferson's sentiments when he said:

"Men can't escape from being governed. They either must govern themselves or they must submit to being governed by others. If from lawlessness or fickleness, from folly or self-indulgence, they refuse to govern themselves, then most assuredly in the end they will have to be governed by the outside."

40. It would be best if Jeffrey Baron were to sit down with the Receiver and, in an orderly fashion, put right the mess that presently exists. But until that occurs, the Receiver will have to do that in his place.

WHEREFORE, PREMISES CONSIDERED, the Trustee respectfully requests that the Court deny the motion to vacate or stay.

Respectfully submitted this 10th day of December, 2010.

MUNSCH HARDT KOPF & HARR, P.C.

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rurbanik@munsch.com
droossien@munsch.com

ATTORNEYS FOR DANIEL J.
SHERMAN, CHAPTER 11 TRUSTEE
FOR ONDOVA

CERTIFICATE OF SERVICE

I hereby certify that, on December 10, 2010, a true and correct copy of the foregoing document was sent to all counsel appearing of record through the Court's ECF system.

/s/ Raymond J. Urbanik
Raymond J. Urbanik

EXHIBIT 21

EXHIBIT 21

REGISTER OF ACTIONS
CASE NO. DC-10-06464

DAVID PACIONE vs. JEFFREY BARON

§
§
§
§
§

Case Type: **CNTR CNSMR COM DEBT**
Date Filed: **05/27/2010**
Location: **101st District Court**

PARTY INFORMATION

DEFENDANT BARON, JEFFREY

Lead Attorneys
SIDNEY BENNETT
CHESNIN

Retained

214-404-9193(W)

PLAINTIFF PACIONE, DAVID L

KENT STARR*Retained*

214-219-8440(W)

EVENTS & ORDERS OF THE COURT

DISPOSITIONS

11/15/2010 **DISMISSED FOR WANT OF PROSECUTION** (Judicial Officer: LOWY, MARTIN)
Vol./Book 438E, Page 413, 1 pages

OTHER EVENTS AND HEARINGS

05/27/2010 **ORIGINAL PETITION (OCA)**

05/27/2010 **ISSUE CITATION**

05/27/2010 **CITATION**
ATTY
BARON, JEFFREY Served 06/27/2010
Returned 06/29/2010

08/12/2010 **ISSUE CITATION**

08/12/2010 **AMENDED PETITION**

08/13/2010 **CITATION**
(1ST AMD PET) - ATTY
BARON, JEFFREY Served 09/28/2010
Returned 10/01/2010

08/13/2010 **NOTE - CLERKS**
- SENT E-MAIL NOTIFICATION TO ATTY, CITATION READY FOR PICK UP

09/10/2010 **CANCELED Status Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
REQUESTED BY ATTORNEY/PRO SE
ATTY SAYS D WILL BE SERVED 9/11 OR 9/12. ASKED FOR RESET

09/17/2010 **CANCELED Status Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
REQUESTED BY ATTORNEY/PRO SE
P MAILING 106 9/16/10

09/17/2010 **MOTION - SUBSTITUTE SERVICE**

09/20/2010 **ORDER - SUBSTITUTE SERVICE**
Vol./Book 437E, Page 777, 2 pages

09/22/2010 **NOTE - CLERKS**
C-PLTF SUB SVC

10/08/2010 **ORIGINAL ANSWER - GENERAL DENIAL**

10/22/2010 **CANCELED Status Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
BY COURT ADMINISTRATOR
D ANSWERED

11/05/2010 **Scheduling Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)

11/15/2010 **NOTE - CLERKS**
C-ALL DWOP

11/18/2010 **MOTION - SUBSTITUTION OF COUNSEL**

11/18/2010 **MOTION - REINSTATE**

11/22/2010 **RULE 11**

12/02/2010 **ORDER - SUBSTITUTION OF COUNSEL**
Vol./Book 438E, Page 606, 1 pages

12/02/2010 **ORDER - REINSTATE (OCA and REOPEN CASE)**
Vol./Book 438E, Page 607, 1 pages

12/03/2010 **SCHEDULING ORDER**

Vol./Book 438E, Page 680, 3 pages
 12/06/2010 MOTION-ABATEMENT
 12/08/2010 NOTE - CLERKS
 C-ALL SCHEDULING ORDER AND TRIAL NOTICE
 01/07/2011 CANCELED Scheduling Conference (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
 BY COURT ADMINISTRATOR
 SKED ORDER SUBMITTED W/ M/REINSTATE
 08/22/2011 TRIAL SETTING (NON JURY)
 08/22/2011 Non Jury Trial (9:00 AM) (Judicial Officer LOWY, MARTIN)

 FINANCIAL INFORMATION

	D EFENDANT BARON, JEFFREY		
	To tal Financial Assessment		2.00
	To tal Payments and Credits		2.00
	B alance Due as of 12/09/2010		0.00
10/08/2010	Tr ansaction Assessment		2.00
10/13/2010	PAY MENT (CASE Receipt # 90536-2010-DCLK FEES)	PENNY ROGERS	(2.00)
	PL AINTIFF PACIONE, DAVID L		
	To tal Financial Assessment		327.00
	To tal Payments and Credits		303.00
	B alance Due as of 12/09/2010		24.00
05/27/2010	Tr ansaction Assessment		247.00
05/27/2010	Tr ansaction Assessment		8.00
05/27/2010	PAY MENT (CASE Receipt # 46005-2010-DCLK FEES)	STARR & ASSOCIATES	(255.00)
08/12/2010	Tr ansaction Assessment		48.00
08/16/2010	PAY MENT (CASE Receipt # 69803-2010-DCLK FEES)	STARR, KENT	(48.00)
11/18/2010	Tr ansaction Assessment		22.00
11/22/2010	Tr ansaction Assessment		2.00

5/27/10
KR

1-CIT-ATTY

CAUSE NO.: 10-06464

FILED

DAVID L. PACIONE,
Plaintiff
vs.
JEFFREY BARON,
Defendant

§
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IN THE DISTRICT COURT

STATE INTERIMONS
DEPUTY CLERK
DALLAS CO., TEXAS.
101st JUDICIAL DISTRICT
MIGUEL HERNANDEZ

DALLAS COUNTY, TEXAS

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE UNITED STATES DISTRICT JUDGE:

COMES NOW, David L. Pacione, ("Pacione"), and files this, his Original Petition and, for cause, would show the Court, as follows:

I.
Parties

1. David L. Pacione. is an individual residing and doing business in Dallas, County, Texas.
2. Jeffrey Baron ("Baron") is an individual who resides in Dallas County, Texas and may be served with process at his residence, Trinity Meadows Condominiums, 2200 E. Trinity Mills Road, Unit #106, Carrollton, Texas 75006.

1-CIT
ATTY

II.
Jurisdiction and Venue

3. This Court has jurisdiction and venue is correct for this lawsuit, pursuant to Tex. Civ. Prac. and Rem. Code § 15.002(a)(1), as the services rendered that make the basis of this lawsuit were performed in Dallas County, Texas.

III.
Discovery Control Plan

4. Plaintiff elects to conduct discovery under Texas Rule of Civil Procedure 190.2.

IV.
Basis of Suit

5. This verified suit is brought by Pacione to collect attorney's fees owed to him by Baron for legal services provided by Pacione to Baron at Baron's specific request.

V.
Facts

6. On or about January 20, 2010, in connection with the litigation styled, Cause No. 3:09-cv-0988-F; *Netsphere, Inc., et al. vs. Jeffrey Baron and Ondova Limited Company*; pending in the United States District Court for the Northern District of Texas, Dallas Division, Baron retained Pacione, a Texas-licensed attorney, to assist Baron's lead counsel, Jeffrey T. Hall, Esq. ("Hall"), in his legal representation of Baron individually in the above-styled cause (the "Lawsuit").

7. On January 29, 2010, Pacione appeared before the United States District Court for the Northern District of Texas, Dallas Division and the Honorable Royal Ferguson during a Status Conference hearing for that case. Pacione announced his additional representation of Baron, along with Baron's lead counsel, Hall, in this Lawsuit. Noting Baron's prolific attorney representation throughout that litigation, Judge Ferguson, nonetheless, welcomed Pacione's announcement.

8. At the conclusion of February 2010, Pacione ceased his representation of Baron as an irreconcilable difference developed between Pacione and Baron. Specifically, Baron, despite his repeated promises, has failed to compensate Pacione for his earned legal services.

9. When Baron hired Pacione to assist Hall, Baron agreed to compensate Pacione for

his legal services on an \$8,000.00 per month flat-fee basis and reimburse any incurred legal expenses. For his work on Baron's behalf over the final week of January 2010, Baron agreed to pay Pacione a pro-rated fee of \$2,000.00. This agreement is memorialized by Pacione's billing invoice, which was sent to and received by Baron on February 9, 2010. The verified claim, attached hereto, is marked as Exhibit "A" and incorporated herein by reference.

10. For this time frame, Pacione worked well over 200 hours on myriad tasks for Baron related to the Lawsuit. In addition, Pacione also incurred legal expenses in the Lawsuit. These legal services were reasonably worth the sum of money charged to Baron.

11. Baron received and accepted the benefit of Pacione's efforts and expenditures. Throughout this same period, Pacione repeatedly inquired about his payment from Baron. In response, Baron consistently verified with Pacione that he would be paid. At no time before the end of February 2010 did Baron ever question Pacione's billing invoice or the parties' agreed to flat-fee agreement.

12. At the conclusion of February 2010, when Pacione, again, asked for payment of ^{attached} his earned attorney's fees and incurred legal expenses, Baron refused to pay same. Since then, Pacione has made numerous, unsuccessful attempts to secure payment of his attorney's fees.

VI. **Claims**

Count One – Breach of Contract

13. Pacione incorporates, by reference, each of the allegations as previously set forth hereinabove.

14. At Baron's express request, Pacione provided substantial contracted legal services to Baron between January 25, 2010 and February 28, 2010. After negotiation, Baron agreed to pay Pacione an \$8,000.00 per month flat-fee for general legal services rendered, as well as

reimbursement for any incurred legal expense. For the January 25 – January 31, 2010 time frame, Baron agreed to pay Pacione a pro-rated flat-fee of \$2,000.00.

15. In good faith, Pacione provided said legal services to Baron, totaling well over 200.00 hours.

16. To date, notwithstanding Pacione's repeated demands, Baron has utterly failed and refused, and continues to fail and refuse, to pay Pacione for services rendered and incurred legal expenses.

17. As a result of Baron's breach of contract, Baron has proximately caused actual damages to Pacione in the amount of \$10,023.80, plus consequential damages, including attorney's fees, and pre- and post-judgment interest, as allowed by law.

Count Two – Quantum Meruit

18. Pacione incorporates, by reference, each of the allegations as previously set forth hereinabove.

19. Pleading in the alternative, if same should be necessary, the legal services and incurred legal expenses were provided to Baron under such circumstances that Baron knew that Pacione, in performing legal services on Baron's behalf, expected to be paid.

20. The substantial legal services provided to and accepted by Baron between January 25, 2010 and February 28, 2010—approximately 238.70 hours worth of same—were for the benefit of Baron. Baron would be unjustly enriched, and Pacione severely penalized, if Baron was allowed to retain the benefits of such services without paying for them.

21. For such services, when handled on an hourly fee rate, Pacione charges \$200.00/hr. Such an hourly fee is usual, customary and reasonable within the Dallas legal

community.

22. As a result of Baron's failure and refusal to pay for legal services rendered, including expenses, Baron has proximately caused actual damages to Pacione in the amount of \$47,763.80, plus consequential damages, including attorney's fees, and pre- and post-judgment interest as allowed by law.

Count Three – Attorney's Fees

23. Pacione incorporates, by reference, each of the allegations as previously set forth hereinabove.

24. In accordance with Tex. Civ. Prac. & Rem. Code § 38.01, *et seq.*, Pacione is entitled to recover his reasonable attorney's fees incurred in prosecuting this action. Pacione presented the above-described claim to Baron, however, Baron has failed and refused to tender the just amount owed.

25. As a result of Baron's failure and refusal to pay Pacione his earned legal services fees, Pacione has been required to obtain legal counsel to bring this suit. Pacione is, therefore, entitled to recover an additional sum to compensate him for the reasonable attorney's fees incurred in bringing this suit, with further and subsequent awards of attorney's fees in the event of appeals from this Court.

VII.
Conditions Precedent

26. All conditions precedent necessary for Pacione to have and recover in this action have been performed, have occurred or have been waived.

WHEREFORE, PREMISES CONSIDERED, David L. Pacione prays that process issue and be served on Jeffrey Baron; that, upon final hearing, Pacione have and recover judgment from and against Baron in the amounts set forth above, for reasonable attorney's fees

incurred by Pacione to prosecute this action, for costs and expenses of suit herein, for pre- and post-judgment interest on all monetary relief sought herein at the highest lawful rate; and, for such other and further relief, both general and special, at law and in equity, to which he is justly entitled.

Respectfully submitted,

STARR & ASSOCIATES, P.C.

By: 

KENT W. STARR

State Bar Number: 00798527

777 E. 15TH Street

Suite 203

Plano, Texas 75074

(214) 219-8440 (telephone)

(214) 219-8441 (facsimile)

ATTORNEYS FOR PLAINTIFF DAVID L.
PACIONE

EXHIBIT

A

David L. Pacione, Esq.
6602 Warm Breeze Lane
Dallas, Texas 75248
(214) 236-0593

Mr. Jeff Baron

Statement for period 1/25/10 - 2/28/10
Tax ID No.: 214505794

Total Charges Incurred

Professional Fees (Flat Fee)	10,000.00
<u>Expenses</u>	<u>0.00</u>
GRAND TOTAL	10,000.00

Re: *Flat-Fee Legal Services*

Professional Fees:

<u>Date</u>	<u>Narrative</u>	<u>Rate</u>	<u>Amt</u>
1/25/10 - 1/31/10	Legal Services (Pro-rated)	Flat Fee	2,000.00
2/1/10 - 2/28/10	Legal Services	Flat Fee	8,000.00

Statement Summary

<u>Professional Name</u>	<u>Title</u>	<u>Dates</u>	<u>Rate</u>	<u>Extended Amount</u>
David L. Pacione	Attorney	1/25 - 1/31/10	Flat fee	2,000.00 (pro-rated)
		2/1 - 2/28/10	Flat fee	8,000.00
		<i>Total:</i>		<i>10,000.00</i>

Costs

<u>Date</u>	<u>Expense</u>	<u>Qty.</u>	<u>Price</u>	<u>Amount</u>
-------------	----------------	-------------	--------------	---------------

Sub-total Costs: 0.00

Total Current Billing: \$10,000.00

Payable upon Receipt

AFFIDAVIT OF DAVID L. PACIONE

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

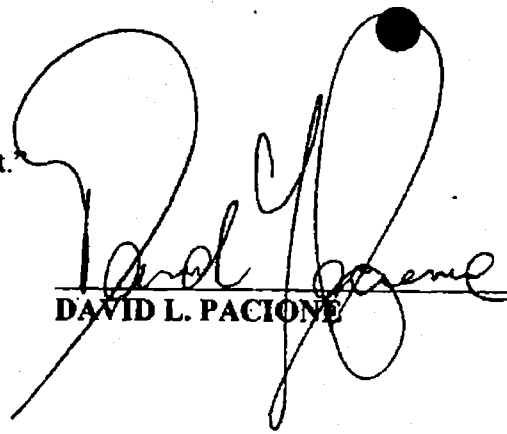
BEFORE ME, the undersigned authority, on this day personally appeared DAVID L. PACIONE, personally known to me, who being by me first duly sworn upon his oath, deposes and states the following:

“My name is David L. Pacione. I am over the age of eighteen (18) years, and I am of sound mind. I have never been convicted of any felony crime. I have personal knowledge of every statement made herein, and I am fully competent to testify to the matter stated herein. Every statement made herein is true and correct.

I am an individual and a Texas-licensed attorney, admitted to practice before the United States Courts for the Northern District of Texas, Dallas Division, doing business as the The Law Office of David L. Pacione. On January 20, 2010, I was retained by Jeffrey Baron to assist his lead counsel, Mr. Jeffrey T. Hall, in connection with the litigation styled, Cause No. 3:09-cv-0988-F; *Netsphere, Inc., et al. vs. Jeffrey Baron and Ondova Limited Company*; pending in the United States District Court for the Northern District of Texas, Dallas Division. For my representation, Jeffrey Baron agreed to compensate me, on a flat-fee basis, at a rate of \$8,000.00 per month. For the remaining portion of January 2010, Jeffrey Baron additionally agreed to pay me a pro-rated fee of \$2,000.00. On February 9, 2010, at Jeffrey Baron’s request and as part of my regular course of business, I submitted to him a billing invoice reflecting this agreement. The subject invoice, totals \$10,023.80, with all just and lawful offsets, payments and credits allowed, plus interest, is now due and owing from Jeffrey Baron.

From late January through February 28, 2010 and consistent with the parties’ agreement, I performed various legal services on Jeffrey Baron’s behalf. Such legal services totaled approximately 238.70 hours. In my legal practice, for legal representation in such business matters, my usual and customary hourly rate to perform such work is \$200.00/hour. This rate is both reasonable and well within the acceptable range of rates being charged for such legal representation within the Dallas legal community.

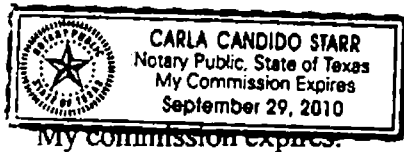
Further Affiant sayeth not.



Handwritten signature of David L. Pacione in black ink, written over a horizontal line.

DAVID L. PACIONE

SWORN TO AND SUBSCRIBED before me, the undersigned authority, by the said DAVID L. PACIONE on this the 27 day of May, 2010.





Notary Public, State of Texas

EXHIBIT 22

CAUSE NO. DC-10-05339-K

FEE, SMITH, SHARP & VITULLO, LLP <i>Plaintiff,</i>	§	IN THE DISTRICT COURT
	§	
v.	§	<u>192nd</u> JUDICIAL DISTRICT
	§	
JEFF BARON <i>Defendant.</i>	§	DALLAS COUNTY, TEXAS
	§	

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, FEE, SMITH, SHARP & VITULLO, LLP, Plaintiff, files this its Original Petition against JEFF BARON, Defendant, and would show the Court as follows:

I.

DISCOVERY CONTROL PLAN

1. In accordance with Tex. R. Civ. P. 190.2 the Plaintiff designates this case as a level 1 case.

II.

PARTIES

2. Plaintiff FEE, SMITH, SHARP & VITULLO, LLP is a Texas limited liability partnership organized and existing under the laws of the State of Texas, having its offices and principal place of business in Dallas County, Texas.
3. Defendant JEFF BARON is an individual residing in Carrollton, Texas and may be served with process at 2200 E. Trinity Mills Rd, Apt 106, Carrollton, TX 75006.

III.

VENUE AND JURISDICTION

4. The Court has jurisdiction over Defendant because the amount in controversy exceeds the minimum jurisdictional limits of this Court.
5. Venue is proper in this Court because the contract at issue in this matter was entered into in Dallas County, Texas, and because the events and transactions giving rise to the claims asserted herein arose in whole or in part in Dallas County, Texas. Venue is therefore proper in Dallas County pursuant to Tex. Civ. Prac. & Rem. Code §15.002.

IV.

Breach of Contract for Services
Performed for the Benefit of Defendant

6. On or about June 2, 2009, Plaintiff entered into an agreement with Defendant whereby Plaintiff agreed to provide services to Defendant. Pursuant to the terms of their agreement, Plaintiff invoiced Defendant for services performed. A true and correct copy of the invoices sent to Defendant is attached hereto as Exhibit "A" and incorporated herein by reference. As of the filing of this cause of action, the sum of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60) exclusive of interest, was due and owing from Defendant to Plaintiff. Defendant's failure to pay constitutes a breach of contract. Therefore, Plaintiff claims the sum of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60) as damages incurred by reason of Defendant's breach of contract, plus interest at the rate of six percent (6.00%) per annum.

IV.

Suit on a Verified Account for
Services Furnished to Defendant

7. Pleading in the alternative, Plaintiff would show that on or about June 2, 2009, at the special instance and request of Defendant, Plaintiff provided services described in the invoices attached hereto. Defendant became bound to pay the reasonable value of the services furnished by Plaintiff. The reasonable value of the unpaid services furnished by Plaintiff at the request of Defendant, excluding interest, is twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60). This sum is a liquidated money demand arising out of the business dealings between the parties upon which a systematic record has been kept, and all just and lawful offsets, payments, and credits have been allowed. Though often requested, Defendant has failed and refused and continues to fail and refuse to pay the sum of money for the services described in Exhibit "A" to the damage of Plaintiff in the amount of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60). See Affidavit of Jay Fry attached hereto as Exhibit "B" and incorporated herein by reference.

V.

Quantum Meruit

8. Pleading in the alternative, services were rendered to Defendant directly in that Defendant received the services. As a direct result of Plaintiff's provision of the services, a benefit was conferred on the Defendant in that the Defendant has had beneficial use and enjoyment of the services. The Defendant has accepted the benefit of Plaintiff's services. Specifically, the Defendant accepted the services. The reasonable value of the services that Plaintiff provided to Defendant was twenty-two thousand, nine hundred eighty-eight

dollars and sixty cents (\$22,988.60). Plaintiff reasonably expects payment for the services provided because the Plaintiff has provided similar services for others in the community for which Plaintiff has been paid, and Plaintiff does not know Defendant personally.

9. The Plaintiff has presented the claim as described above to Defendant for payment. Defendant will be unjustly enriched in the amount claimed by Plaintiff if allowed to retain the benefit conferred on it without payment for the reasonable value of the services provided by Plaintiff to Defendant described above.

V.

Attorney's Fees

10. Plaintiff has demanded payment from Defendant for the services provided by Plaintiff to Defendant. Because of Defendant's refusal to pay the invoice(s) due and owing to Plaintiff, it has become necessary for Plaintiff to place its claim in the hands of the undersigned attorney for collection, and Plaintiff has agreed to pay said attorney a reasonable attorney's fee. Therefore, upon judgment being entered herein, Plaintiff is entitled to collect and hereby sues to recover its reasonable attorney's fees pursuant to TEX. CIV. PRAC. & REM. CODE, § 38.001 at the trial court and on appeal.

VI.

DISCLOSURES

11. Pursuant to Rule 194, JEFF BARON is requested to disclose, within 50 days of service of this petition, the information or material described in TEX. R. CIV. P 194.2.

VIII.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiff, FEE, SMITH, SHARP & VITULLO, LLP, prays that Defendant be cited to appear and answer herein, and that upon final hearing Plaintiff have judgment against Defendant for the following:

- a. The sum of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60) on its alternate theories of Breach of Contract, Sworn Account and Quantum Meruit;
- b. Pre-judgment interest of 6.00% per annum;
- c. Post-judgment interest at the rate per annum as published by the Texas Office of Consumer Credit Commission at the time of Judgment;
- d. Attorneys' fees in a reasonable amount pursuant to TEX. CIV. PRAC. & REM. CODE § 38.001 at the trial and on appeal;
- e. Costs of court;
- f. Costs of collection;
- g. Such other and further relief, at law or in equity, to which Plaintiff may show itself justly entitled.

Respectfully Submitted,

DARRELL W. COOK & ASSOCIATES,
A PROFESSIONAL CORPORATION



DARRELL W. COOK *By: SWD*

State Bar No. 00787279

STEPHEN W. DAVIS

State Bar No. 24066792

One Meadows Building

5005 Greenville Ave., Suite 200

Dallas, TX 75206

(214) 368-4686

(214) 363-9979 Telecopy

ATTORNEYS FOR PLAINTIFF

EXHIBIT A



Fee, Smith, Sharp & Vitullo LLP

Three Galleria Tower 13155 Noel Road Suite 1000 Dallas, Texas 75240
P 972-934-9100 F 972-934-9200 www.feesmith.com

Jeff Baron
jeff@ondova.com

Page: 1
June 16, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24513

Ondova Limited Company and Jeff Baron v. Manila
Industries, Inc., et al

Tax ID Number: 68-0502076

Invoice For Legal Services Rendered

Fees

			Rate	Hours	
06/03/2009	ALV	Conference with Elizabeth, James and Jeff regarding injunction hearing.	350.00	2.20	770.00
	ALV	Review file materials.	350.00	2.80	980.00
06/04/2009	ALV	Meeting with Razansky and review of Motion.	350.00	3.30	1,155.00
	ALV	Preparation for temporary injunction hearing.	350.00	10.60	3,710.00
	AKJ	Revise Emergency Motion to Quash and/or Motion for Protective Order by Plaintiff Jeffrey Baron.	75.00	0.30	22.50
	AKJ	Revise Agreed Motion to Substitute Counsel for Plaintiffs Jeff Baron and Ondova Limited Company.	75.00	0.30	22.50
	AKJ	Preparation of correspondence to all counsel regarding Notice of Temporary Restraining Order hearing.	75.00	0.30	22.50
	AKJ	Preparation of correspondence to Court regarding filing of Emergency Motion to Quash and/or			

Jeff Baron

Page: 2
June 16, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24513

		Rate	Hours	
	Motion to Substitute Counsel for Plaintiffs Jeff Baron and Ondova Limited Company.	75.00	0.30	22.50
AKJ	Multiple telephone call to and telephone call from Special Delivery regarding coordination of service of three subpoenas.	75.00	0.50	37.50
AKJ	Prepare notebooks for Temporary Restraining Order hearing.	75.00	1.70	127.50
AKJ	Prepare exhibits and exhibit notebook for Temporary Restraining Order hearing.	75.00	1.60	120.00
AKJ	Multiple telephone call to Victory Document Service regarding preparation of trial board.	75.00	0.20	15.00
RCP	Researched requirements for temporary injunctions.	100.00	2.60	260.00
RCP	Revised Motion to Quash.	100.00	0.80	80.00
06/05/2009 ALV	Preparation for temporary injunction hearing.	350.00	5.40	1,890.00
ALV	Attendance at temporary injunction hearing and client conference.	350.00	4.80	1,680.00
AKJ	Continue to work on exhibits for Temporary Restraining Order hearing.	75.00	1.70	127.50
AKJ	Revise Second Emergency Motion to Quash and/or Motion for Protective Order by Plaintiff Jeffrey Baron.	75.00	0.30	22.50
AKJ	Preparation of correspondence to Court regarding filing of Second Emergency Motion to Quash and/or Motion for Protective Order by Plaintiff Jeffrey Baron.	75.00	0.30	22.50
AKJ	Preparation of additional Temporary Restraining Order hearing notebook.	75.00	0.80	60.00
AKJ	Multiple telephone call to and			

Jeff Baron

Page: 3
June 16, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24513

		Rate	Hours	
	telephone call from Victory Document Service regarding preparation of trial board.	75.00	0.40	30.00
06/07/2009	ALV Telephone conference with Rasansky regarding MacPete contacting Charla Aldous.	350.00	0.20	70.00
	ALV Telephone conference with Baron regarding Ondova issues related to deregistering domain names in best interest of company.	350.00	0.50	175.00
	ALV Telephone conference with Baron, James Bell and Elizabeth Shuring regarding litigation strategy of filing Motion to Enforce Simple Solution Agreement, application of Temporary Restraining Order.	350.00	1.50	525.00
	ALV Telephone conference with Jeff Baron.	350.00	1.00	350.00
	ALV Telephone conference with James Bell and Baron.			n/c
	ALV Multiple/additional telephone conferences with Bell and Baron.			n/c
06/08/2009	ALV Preparation of correspondence to Frank Perry.	350.00	0.50	175.00
	ALV Preparation of multiple correspondence to Kantner MacPete.	350.00	1.00	350.00
	ALV Conference with Baron and James Bell.			n/c
	ALV Conference with Charla Aldous.			n/c
	ALV Receipt and review of correspondence to/from MacPete and Kantner.	350.00	0.20	70.00
	ALV Conference with Bob Kantner.	350.00	0.60	210.00
	ALV Receipt and review of correspondence to/from Frank Lloyd.	350.00	0.10	35.00

Jeff Baron

Page: 4
June 16, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24513

		Rate	Hours	
ALV	Telephone conference with Samantha Isner of ICANN.	350.00	0.10	35.00
ALV	Receipt of telephone call from Richard Wolfe regarding Simple Solutions.	350.00	0.30	105.00
ALV	Multiple telephone conferences with and preparation of correspondence to Baron, Elizabeth and James regarding litigation strategy and preparation of responses to e-mails and review MacPete, Lloyd and Wolfe e-mails.	350.00	3.20	1,120.00
AKJ	Draft Notice of Intention to Take Deposition of of Munish Krishan.	75.00	0.40	30.00
AKJ	Preparation of correspondence to all counsel regarding Notice of Intention to Take Deposition of of Munish Krishan.	75.00	0.30	22.50
AKJ	Preparation of correspondence to Steve Gentry regarding Notice of Intention to Take Deposition of of Munish Krishan.	75.00	0.20	15.00
AKJ	Multiple telephone call to Steve Gentry regarding Deposition of of Munish Krishan.	75.00	0.20	15.00
RCP	Preparation of Motion to Compel compliance with Rule 11 Settlement Agreement.	100.00	2.90	290.00
RCP	Preparation of Motion to Compel oral deposition.	100.00	0.90	90.00
06/09/2009 ALV	Telephone conference with Baron, James and Elizabeth regarding Manassas.	350.00	1.50	525.00
ALV	Multiple telephone conferences with and e-mails regarding MacPete response, Dec Action and Temporary Restraining Order; conference with Baron, Elizabeth and James.	350.00	2.20	770.00
ALV	Telephone call to Jerry Mason			

Jeff Baron

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June 16, 2009

FSSV File No.: ALV-3132M

Invoice Number: 24513

		Rate	Hours	
	regarding fee issue.	350.00	0.10	35.00
ALV	Preparation of correspondence regarding Motion to Enforce simple solutions Rule 11 Agreement and Motion for Application of Temporary Restraining Order.	350.00	0.50	175.00
ALV	Initial preparation of revisions to Temporary Restraining Order for Ondova.	350.00	0.60	210.00
06/10/2009 ALV	Telephone conference with Baron, Elizabeth regarding bringing in Asia Trust, Kantners statement to Interplead money, and liability exposure of 3rd party trademark.	350.00	1.10	385.00
ALV	Telephone call to Bob Kantner of Interplead.	350.00	0.50	175.00
ALV	Telephone conference with Richard Wolfe.	350.00	0.60	210.00
ALV	Edit seventh Amended Petition, Temporary Restraining Order, Motion to Enforce and Motion for Expedited Discovery.	350.00	3.50	1,225.00
ALV	Preparation for Temporary Restraining Order hearing.	350.00	1.50	525.00
ALV	Conference with Bell, Baron, Elizabeth regarding strategy.	350.00	4.30	1,505.00
ALV	Preparation of edits to Motion to Compel, Amended Petition and Motion for Expedited Discovery.	350.00	2.40	840.00
06/11/2009 ALV	Multiple conversations with Co-Counsel regarding Client.			n/c
ALV	Multiple e-mails to/from Co-Counsel.			n/c
ALV	Additional preparation of Motion to Compel and Rule 11 Agreement for filing with Court.	350.00	1.50	525.00
ALV	Meeting with MacPete regarding			

Jeff Baron

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June 16, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24513

		Rate	Hours	
	MOU.	350.00	2.20	770.00
	ALV Conference with Elizabeth for status and conference with James Bell and joint conference with Elizabeth and Jeff Baron.	350.00	4.30	1,505.00
06/12/2009	JCR Attendance at meeting with ALV; teleconferencing with James Bell and Jeff Baron; attendance at three telephonic hearings with federal court Judge regarding case.	225.00	6.80	1,530.00
06/14/2009	JCR Preparation for upcoming hearing.	225.00	2.00	450.00
06/15/2009	JCR Additional preparation for hearing; travel to and from and attendance at hearing and meeting with counsel after hearing.	225.00	4.50	1,012.50
	JCR Attendance at teleconferences with new federal court judge and with counsel for Netsphere/the Krishans.	225.00	1.30	292.50
	JCR Conferences with ALV, James Bell and Jeff Baron regarding outcome of hearing and strategy for both cases involving clients.	225.00	3.00	675.00
	Total Legal Fees		99.70	28,200.00

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
ANTHONY L. VITULLO	65.10	\$350.00	\$22,785.00
J. CALEB RAWLS	17.60	225.00	3,960.00
ARTI K. JARIWALA	9.80	75.00	735.00
RACHEL C. PERKINS	7.20	100.00	720.00

Expenses

06/09/2009	Photocopying, 12 pp @ \$.10 each	1.20
06/11/2009	Photocopying, 34 pp @ \$.10 each	3.40
06/11/2009	Photocopying, 31 pp @ \$.10 each	3.10
06/11/2009	Photocopying, 15 pp @ \$.10 each	1.50
06/12/2009	Photocopying, 70 pp @ \$.10 each	7.00
06/12/2009	Photocopying, 50 pp @ \$.10 each	5.00
	Total Expenses	21.20

Jeff Baron

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June 16, 2009
ESSV File No.: ALV-3132M
Invoice Number: 24513

Advances

06/05/2009	Outside Copy Services - Victory Document Services, Inc.	107.82
	Total Advances	<u>107.82</u>
	Total For This Invoice	28,329.02

Payments

06/16/2009	Payment	-25,000.00
	Balance Due	<u>\$3,329.02</u>

Client Funds

06/05/2009	Initial Retainer Deposit	25,000.00
06/16/2009	Payment	-25,000.00
	Ending Client Funds Balance	<u>\$0.00</u>
	Please Remit	<u>\$3,329.02</u>

Thank you for your business!



Fee, Smith, Sharp & Vitello LLP

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P 972-934-9100 F 972-934-9200 www.feessmith.com

Jeff Baron
jeff@ondova.com

Page: 1
June 23, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24550

Ondova Limited Company and Jeff Baron v. Manila
Industries, Inc., et al

Tax ID Number: 68-0502076

Invoice For Legal Services Rendered

Fees

		Rate	Hours	
06/10/2009	RCP Revised Motion to Compel compliance with Rule 11 settlement agreement, added Motion to Seal.	100.00	4.90	490.00
	LER Research issue on federal jurisdiction of a pending state court action.	225.00	0.80	180.00
06/11/2009	AKJ Review and analysis of correspondence from Steve Gentry regarding deposition of Munish Krishan.	75.00	0.10	7.50
	AKJ Preparation of correspondence to Steve Gentry regarding cancellation/quashed deposition of Munish Krishan.	75.00	0.10	7.50
06/12/2009	ALV Review of Temporary Restraining Order and research irreparable harm issue.	350.00	1.40	490.00
	ALV Preparation for Temporary Restraining Order hearing.	350.00	1.50	525.00
	ALV Temporary Restraining Order hearing with Judge Lynn.	350.00	0.50	175.00

Jeff Baron

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June 23, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24550

		Rate	Hours	
	ALV	Conference with James Bell and Jeff Baron.	350.00	1.10 385.00
	ALV	Receipt and review and preparation of 23 emails to and from Elizabeth, James, MacPete and Jeff.	350.00	1.80 630.00
06/13/2009	ALV	Receipt and review of 20 e-mails and preparation of same to and from Elizabeth, James, Jeff and MacPete regarding litigation strategy.	350.00	1.50 525.00
	ALV	Multiple telephone conferences with Elizabeth, James, Caleb and Jeff.	350.00	1.30 455.00
	ALV	Additional revisions to Amended Petition.	350.00	0.80 280.00
06/14/2009	ALV	Receipt and review and prepare 68 e-mails to and from Elizabeth, James, Jeff, Caleb regarding litigation strategy.	350.00	3.40 1,190.00
06/15/2009	ALV	Assist with preparation for deposition.	350.00	1.20 420.00
	ALV	Receipt and review of and preparation of 44 e-mails to and from Elizabeth, James, Caleb and Jeff regarding litigation strategy and depositions.	350.00	2.60 910.00
	ALV	Multiple telephone conferences with Caleb, Elizabeth, James and Jeff regarding deposition strategy and document production.	350.00	1.80 630.00
06/16/2009	MKS	Review file for documents for attorney use at hearing, travel to and from Courthouse to deliver and review documents for use at hearing.	75.00	1.50 112.50
	ALV	Receipt and review and preparation of 41 e-mails to and from Elizabeth, James, Caleb and Jeff regarding deposition prep.	350.00	2.10 735.00

Jeff Baron

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June 23, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24550

	Rate	Hours	
ALV Multiple telephone conferences with Caleb, Elizabeth, James and Jeff regarding litigation and deposition.	350.00	1.40	490.00
ALV Conference with MacPete.	350.00	0.50	175.00
JCR Discussions, telephone conference with and emails correspondence to and from Jeff Baron, Elizabeth Schurig, James Bell, Lenny Vitullo and John MacPete regarding pending depositions and document production as well as pending preliminary injunction hearing.	225.00	12.00	2,700.00
06/17/2009 ALV Receipt and review and preparation of 58 e-mails to and from Elizabeth, James, Caleb and Jeff regarding deposition, protective order, Motion to Dismiss, Order, true up provision, stipulated order, conference calls regarding depositions with Elizabeth, James and Caleb.	350.00	3.40	1,190.00
JCR Discussions and telephone conferences with and email correspondence to and from Jeff Baron, Elizabeth Schurig, James Bell, Lenny vitullo and John MacPete regarding pending depositions and document production as well as settlement negotiations and options.	225.00	11.60	2,610.00
JCR Review of Baron's/Ondova's document production in preparation for deposition of Jeff Baron.	225.00	1.10	247.50
JCR Preparation of draft objections to Plaintiff's subpoena duces tecum.	225.00	0.80	180.00
MKS Email with Court Reporter to retain reporter and videographer for the deposition on June 18, 2009 of Munich.	75.00	0.10	7.50
MKS Multiple telephone conferences			

Jeff Baron

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June 23, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24550

		Rate	Hours	
	with Caleb Rawls regarding preparation of documents for attorney use at deposition of Munich.	75.00	0.20	15.00
06/18/2009	ALV Receipt and review of multiple e-mails and conference calls with Elizabeth, Jeff, James and Caleb.			n/c
JCR	Continued preparation for deposition of Jeff Baron.	225.00	0.70	157.50
JCR	Preparation of Jeff Baron to testify.	225.00	2.70	607.50
JCR	Travel to and from Locke Lord's offices for deposition of Jeff Baron; discussions of document production and settlement possibilities with James Bell and Jeff Baron as well as with John MacPete and telephonic hearing with Judge Furgeson regarding discovery dispute.	225.00	11.60	2,610.00
06/19/2009	ALV Receipt and review of 10 e-mails regarding hearing on document production and conference with Elizabeth, James and Jeff regarding hearing.	350.00	2.60	910.00
ALV	Receipt of telephone call from Charla and Rasansky regarding fee issue and status.	350.00	0.50	175.00
JCR	Travel to and from and attendance at discovery hearing before Judge Furgeson.	225.00	4.70	1,057.50
JCR	Discussions with John MacPete and Lenny Vitullo regarding document production and depositions.	225.00	0.90	202.50
06/20/2009	ALV Meeting with Jeff Baron and conference with Bell and MacPete.	350.00	3.80	1,330.00
ALV	Preparation of e-mails to Jeff regarding status and decision to proceed under MOU.	350.00	0.20	70.00

Jeff Baron

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June 23, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24550

		Rate	Hours	
06/21/2009	ALV Preparation of e-mails to Jeff, Elizabeth and James.	350.00	0.80	280.00
	ALV Multiple conferences with Jeff, Elizabeth and James.	350.00	1.20	420.00
	ALV Conference call with Jeff, Elizabeth and James regarding meeting with Friedman.	350.00	0.50	175.00
	Total Legal Fees		89.70	23,757.50

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
ANTHONY L. VITULLO	35.90	\$350.00	\$12,565.00
J. CALEB RAWLS	46.10	225.00	10,372.50
MELINDA K. SPURGEON	1.80	75.00	135.00
LAURA E. RICHARDS	0.80	225.00	180.00
ARTI K. JARIWALA	0.20	75.00	15.00
RACHEL C. PERKINS	4.90	100.00	490.00

Expenses

06/16/2009	Photocopying, 110 pp @ \$.10 each	11.00
06/17/2009	Photocopying, 5 pp @ \$.10 each	0.50
06/18/2009	Photocopying, 404 pp @ \$.10 each	40.40
06/18/2009	Photocopying, 991 pp @ \$.10 each	99.10
06/18/2009	Photocopying, 107 pp @ \$.10 each	10.70
06/18/2009	Photocopying, 261 pp @ \$.10 each	26.10
06/19/2009	Photocopying, 1538 pp @ \$.10 each	153.80
06/19/2009	Photocopying, 57 pp @ \$.10 each	5.70
06/19/2009	Photocopying, 114 pp @ \$.10 each	11.40
	Total Expenses	358.70

Advances

06/04/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/04/2009	Courier fee - Special Delivery Service, Inc.	169.50
06/04/2009	Courier fee - Special Delivery Service, Inc.	45.00
06/04/2009	Courier fee - Special Delivery Service, Inc.	45.00
06/05/2009	Courier fee - Special Delivery Service, Inc.	37.49
06/05/2009	Courier fee - Special Delivery Service, Inc.	37.49
06/06/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	31.24
06/11/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/11/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/11/2009	Courier fee - Special Delivery Service, Inc.	31.24

Jeff Baron

Page: 6
June 23, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24550

06/11/2009	Courier fee - Special Delivery Service, Inc.	31.24
06/12/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/15/2009	Parking - Spurgeon, Melinda	4.00
06/15/2009	Mileage to/from for - Spurgeon, Melinda (22 miles)	<u>12.10</u>
	Total Advances	644.22
06/22/2009	Fee reduction per agreement with Client.	<u>-6,684.50</u>
	Total Credits for Advances	-6,684.50
	Previous Balance	\$3,329.02
	Total For This Invoice	18,075.92
	Balance Due	<u>\$21,404.94</u>
	Please Remit	<u>\$21,404.94</u>

Thank you for your business!



Fee, Smith, Sharp & Viallo LLP

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F I N A L B I L L !

Jeff Baron
jeff@ondova.com

Page: 1
October 30, 2009
FSSV File No.: ALV-3132M
Invoice Number: 26001

Ondova Limited Company and Jeff Baron v. Manila
Industries, Inc., et al

Tax ID Number: 68-0502076

Invoice For Legal Services Rendered

		<u>Fees</u>		
		Rate	Hours	
06/15/2009	LMJ Compose and transmit electronic correspondence to Court Reporter providing Notice of Intention to Take Deposition of Munish Krishan.	75.00	0.20	15.00
06/17/2009	LER Revise Motion to Disqualify for Federal Court.	225.00	0.60	135.00
06/18/2009	MKS Assist attorney with preparation of documents for use at deposition of Munish.	75.00	2.60	195.00
	TRG Research regarding conflict of interest; meeting with Client are same.	350.00	0.50	175.00
	WB Review and analyze Motion to Dismiss and report Motion to Dismiss.	225.00	1.80	<u>405.00</u>

Jeff Baron

Page: 2
October 30, 2009
FSSV File No.: ALV-3132M
Invoice Number: 26001

	Rate	Hours	
Total Legal Fees		5.70	925.00

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
MELINDA K. SPURGEON	2.60	\$75.00	\$195.00
WES BLACK	1.80	225.00	405.00
LAURA E. RICHARDS	0.60	225.00	135.00
LORNA M. JACKSON	0.20	75.00	15.00
TIMOTHY R. GEORGE	0.50	350.00	175.00

Expenses

06/24/2009	Photocopying, 22 pp @ \$.10 each	2.20
06/24/2009	Photocopying, 12 pp @ \$.10 each	1.20
07/08/2009	Photocopying, 2 pp @ \$.10 each	0.20
	Total Expenses	3.60

Advances

06/16/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/23/2009	Courier fee - Special Delivery Service, Inc.	19.22
06/23/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/23/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/26/2009	Deposition Transcripts and related expenses - DEPOTEXAS	375.00
06/30/2009	Miscellaneous expense - LexisNexis research and connection charges	185.87
	Total Advances	655.06

Previous Balance \$21,404.94

Total For This Invoice 1,583.66

Balance Due \$22,988.60

Aged Due Amounts

<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>121-180</u>	<u>181+</u>
1,583.66	0.00	0.00	0.00	21,404.94	0.00

Please Remit \$22,988.60

Thank you for your business!

EXHIBIT B

CAUSE NO. _____

FEE, SMITH, SHARP & VITULLO,
LLP
Plaintiff,

v.

JEFF BARON
Defendant.

§
§
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§
§
§
§
§
§

IN THE DISTRICT COURT

____ JUDICIAL DISTRICT

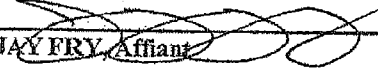
DALLAS COUNTY, TEXAS

AFFIDAVIT OF JAY FRY


BEFORE ME, the undersigned authority, personally appeared, who, being duly sworn, deposed as follows:

1. "My name is Jay Fry.
2. I am employed by FEE, SMITH, SHARP & VITULLO, LLP, a Texas Limited Liability Partnership, Plaintiff; and I have or a person under my supervision has care, custody, and control of all records concerning the account of JEFF BARON, Defendant.
3. These records show that a principal balance of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60), exclusive of interest, is due and payable by Defendant named herein to FEE, SMITH SHARP & VITULLO, LLP, Plaintiff.
4. A true and correct copy of Defendant's account is marked as 'Exhibit A,' and attached to Plaintiff's Original Petition. The true amount of the account is due Plaintiff by Defendant, and all just and lawful offsets, payments, and credits have been allowed.
5. Demand for payment of the just amount owing Plaintiff by Defendant has been made on Defendant more than thirty days prior hereto and payment for the just amount owing has not been tendered."

Fee, Smith, Sharp & Vitullo, LLP

BY: 
JAY FRY, Affiant

SIGNED AND SWORN to before me on the 23rd day of February 2010.


Notary Public, State of Texas

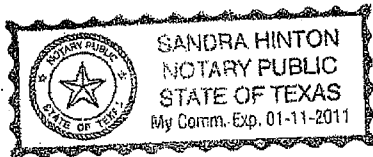


EXHIBIT 23

Patrick W. Powers
State Bar No. 24013351
Mark L. Taylor
State Bar No. 00792244
Powers Taylor LLP
8150 North Central Expressway
Suite 1575
Dallas, Texas 75206
(214) 239-8900 – Telephone
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Email: patrick@powerstaylor.com
Email: mark@powerstaylor.com

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In Re:

ONDOVA LIMITED COMPANY

Debtor.

§
§
§
§
§
§
§
§

**CASE NO. 09-34784-SGJ-11
Chapter 11**

**FIRST AMENDED APPLICATION FOR PAYMENT OF FEES AND
EXPENSES AS AN ADMINISTRATIVE EXPENSE FOR A SUBSTANTIAL
CONTRIBUTION TO THE ESTATE**

First Application of:	Powers Taylor, LLP
For the time period of:	August 29, 2009 to September 30, 2010
Capacity:	Counsel for Jeffrey Baron
Unpaid Fees Sought:	\$78,058.50

TO THE HONORABLE STACEY G. JERNAGIN,
UNITED STATES CHIEF BANKRUPTCY JUDGE:

**NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A
WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES
BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS PLEADING
WITHIN FIFTEEN (15) DAYS FROM THE DATE OF SERVICE UNLESS THE COURT
SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO**

OBJECTION IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR OBJECTION MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

Powers Taylor LLP (“Applicant”) hereby files this *First Amended Application for Payment of Fees and Expenses as an Administrative Expense for a Substantial Contribution to the Estate* (the “Application”) pursuant to 11 U.S.C § 503(b)(4).

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this Application pursuant to 28 U.S.C. §§ 1334 and 157. This is a core proceeding under 11 U.S.C. § 157(b)(2)(A).

II. RELIEF REQUESTED

2. As more fully set forth herein, Applicant asks this Court to enter an order granting approval and payment of the fees and expenses incurred by Powers Taylor LLP during the Application Period in this case as a substantial contribution to the Ondova bankruptcy estate pursuant to 11 U.S.C. § 503(b)(4).

III. FACTUAL BACKGROUND

3. Beginning on August 29, 2009, the firm of Powers Taylor LLP (then known as Cash Powers Taylor LLP) assumed the role of counsel for Jeff Baron and his self-directed IRA account in litigation styled *Equity Trust, f/k/a Mid Ohio Securities, custodian FBO IRA 19471 and Jeffery Baron as Beneficiary of Equity Trust Company FBO IRA 19471 v. Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan*, Cause No. DC-08-13925-C, 68th Judicial District of Dallas County, Texas (hereinafter referred to as the “PhoneCards.com Litigation”).

4. The PhoneCards.com Litigation encompassed a dispute over the ownership and revenues generated by the domain name “PhoneCards.com” during the duration of a “Domain Name Lease Agreement” negotiated by Jeff Baron and Munish Krishan. This Domain Name Lease Agreement was the first agreement ever reached between Mr. Baron and the Krishan brothers, and all subsequent relationships between Baron and the Krishans arose from or related to the relationship forged under the Domain Name Lease Agreement.

5. While Ondova Limited Company was not a direct party to this case, the case had a direct bearing on the Ondova bankruptcy because:

- (a) the case involved one of the more valuable domain names originally obtained through Ondova (or Ondova’s related entities), although Mr. Baron claimed to have transferred legal ownership of the PhoneCards.com domain name to his IRA account, a transfer that was disputed by the Krishans;
- (b) the dispute at issue involved the same principles – Mr. Baron, Rohit Krishan, Munish Krishan, and Manoj Krishan – that controlled Ondova and Netsphere; and
- (c) the parties to the Ondova / Netsphere dispute could not settle their differences and obtain the “clean break” they desired if the Domain Name Lease Agreement in the PhoneCards.com Litigation required them to continue to work together as partners.

6. The Applicant was not involved in the initiation of the PhoneCards.com Litigation, but instead came into the case after Baron had become embroiled in fee disputes with at least two previous lawyers in the case. As the fifth counsel of record in the case, the Applicant

entered the case at a time when the judge was ready to sanction Mr. Baron for repeatedly delaying the case by changing counsel, and for frustrating the defendants' efforts to understand the scope of the claims against them. Despite the fact that Mr. Baron (and his IRA) were the plaintiffs in the case, none of the previous lawyers had engaged in any meaningful discovery, or attempted to move the case forward.

7. Over the course of the next few months, the Applicant was able to make significant headway in the PhoneCards.com Litigation. Applicant defeated the Special Appearance filed by Munish Krishan, successfully compelled the depositions of all the Krishan brothers in Dallas, Texas, and retained an internet expert who developed the theories of liability on the claims. By getting this litigation back on track, Applicant contributed to the bankruptcy estate and assisted in the Baron/Ondova efforts to initiate global settlement talks.

8. In fact, those settlement talks began in earnest at the very time that the Applicant was conducting the depositions of the Krishans. Jeff Hall, who was serving as Baron's lead counsel in the global negotiations at the time, requested that the Applicant provide an analysis of the damage claims in the PhoneCards.com Litigation to assist in those settlement negotiations. On February 22, 2010, Applicant provided a detailed analysis of the potential damage calculations, together with a probability assessment of the success of various claims and affirmative defenses at issue in the case. Based on this analysis, Mr. Hall entered the negotiations targeting a settlement of \$802,000 on the claims in the PhoneCards.com Litigation.

9. Following the initial negotiations (which failed to produce an agreement), the Applicant then obtained an order compelling the production of the entire CallingCards.com customer database. This order, which had been fiercely opposed by the Krishan's counsel, was a key development, because Mr. Baron believed that the information in the database would

demonstrate that millions of dollars in sales had been diverted from PhoneCards.com to CallingCards.com, further enhancing the damage claims in this litigation. Following the Court's oral ruling on the motion to compel, the Defendants continued to resist and delay the entry of a written order, presumably to buy additional time to negotiate a global settlement before the Defendants were forced to comply with the order. The very existence of this order enhanced the negotiating position enjoyed by counsel for Baron/Ondova in the bankruptcy settlement talks.

10. When the Global Settlement Agreement was finally reached on July 27, 2010, the claims from the PhoneCards.com Litigation were netted against the myriad of claims asserted by the Krishans, Netsphere, and the other entities controlled by the Krishans. The Global Settlement Agreement also extinguished the valuable claims in the PhoneCards.com Litigation through a mutual release, and then awarded the Krishans with additional income from the PhoneCards.com website over the next two years. The inclusion of the PhoneCards.com Litigation in the Global Settlement Agreement was a key element in reaching an equitable settlement. As such, the work performed in the development and prosecution of those claims constituted a substantial contribution to the bankruptcy estate.

IV. AUTHORITY AND ARGUMENT

11. This Court has authority to award attorneys' fees where the work performed resulted in an actual and demonstrable benefit to the debtor's estate and its creditors. *See, e.g., Lister v. United States*, 846 F.2d 55 (10th Cir. 1988). Without the value of the potential claims developed by the Applicant, it is unlikely that the Global Settlement Agreement with the Netsphere parties could have yielded the cash sum of \$1,200,000. The entire value of the claims developed by the Applicant's services flowed to the debtor's estate, and were netted against

other potential claims against the estate by the Netsphere parties. As a result of this settlement, the creditors of Ondova are likely to receive 100% of the amount of their claims in this case.

12. The services performed by the Applicant were in addition to, and were not duplicative of the services performed by attorneys for the Bankruptcy Trustee. In most respects, the interests of Baron and Ondova were aligned against Netsphere (and the Krishan brothers, who controlled Netsphere). The work performed on Baron's behalf against the Krishans resulted in a more favorable settlement for Ondova, and Baron relinquished any separate right that he had to reap the benefits of a separate settlement in the PhoneCards.com Litigation, providing a direct benefit to the estate. The Bankruptcy Trustee had no involvement in the development and prosecution of the PhoneCards.com claims, yet the estate received the entire benefit of the settlement of those claims.

13. The efforts undertaken by the Applicant were also intended to benefit the bankruptcy estate. At the time the Applicant took over the PhoneCards.com Litigation, Mr. Baron had already placed Ondova in bankruptcy as a means of addressing the claims asserted by the Krishan brothers (through their company Netsphere and other entities). Mr. Baron repeatedly urged the Applicant to press forward with the litigation to create pressure on the Krishans, so that a global settlement could be reached that was beneficial to the bankruptcy estate.

14. The reimbursement for attorneys' fees sought herein will not result in the impairment of other creditors; to the contrary, the work performed by Applicant will help to make a dividend to creditors much higher than it would otherwise have been.

15. The costs associated with bringing this Application are also compensable. As recognized by the 9th Circuit Court of Appeals, "[C]reditors who receive compensation under 503(b)(4) should also be compensated for costs incurred in litigating a fee award, so long as the

services meet the § 503(b)(4) requirements and the case ‘exemplifies a set of circumstances where litigation was necessary.’” *In re Wind N’ Wave*, 509 F.3d 938 (9th Cir. 2007); *see also* 11 U.S.C. § 503(b)(4).

16. The fee setting process providing for the recovery of attorneys’ fees begins with an examination of the nature and extent of the services rendered, or what is commonly referred to as the “time spent” standard. *See In re First Colonial Corp. of Am.*, 544 F. 2d 1291, 1300 (5th Cir.), *cert denied*, 97 S. Ct. 1696 (1977). Exhibit A provides a detail of all time for which Applicant seeks compensation. These time records include daily detail of the time spent by each individual working on behalf of the Applicant.

17. In fixing the amount of reasonable compensation to be awarded to a law firm for worked performed in a case, the Court may consider subjective factors beyond the number of hours spent and the hourly rates normally charged. *See id.* at 1301; *see also Johnson v. Georgia Highway Express, Inc.*, 488 F. 2d 714, 717 - 19 (5th Cir. 1974)(Providing a list of factors to be considered). These factors include the novelty and difficulty of the legal questions, the skill required to perform the legal services provided, the preclusion of other employment by the attorneys due to the acceptance of this case, the customary fees charged for such services, whether the fee is fixed or contingent, any time limitations imposed, the experience and ability of the attorneys, the “undesirability” of the case, the nature and length of the relationship with the client, and awards in similar cases. Each of these factors is discussed in the following paragraphs:

- Novelty and difficulty of the legal questions. The PhoneCards.com Litigation involved novel legal questions, because it required the application of standards of “reasonable performance” to the complex and

rapidly evolving field of “search engine optimization” for commercial websites. The Litigation also involved multiple issues of contract interpretation and the application of several potential affirmative defenses.

- The skill required to perform the legal services. The Applicant’s lead attorney is a skilled and experienced attorney with significant experience in complex commercial litigation over the past 16 years. Prior to entering private practice, Mr. Taylor served as a briefing attorney on the Texas Supreme Court.
- The preclusion of other employment. During the pendency of this case, Mr. Taylor was precluded from representing other clients of the Applicant.
- Customary fees charged for such services. The rates requested by the Applicant are customary and reasonable in commercial litigation. In fact, these rates are substantially less than the rates charged by at least one of the firms representing the Defendants in the PhoneCards.com Litigation. The Applicant customarily charges these rates for similar services provided to other clients.
- Whether the fee is fixed or contingent. As described in more detail later in this Application, the original fee agreement was a blended fee agreement, with a greatly reduced hourly rate and a limited contingency fee component. Because the value obtained from the claims in the PhoneCards.com Litigation was never separately negotiated in the Global Settlement Agreement, the contingency fee portion of the fee cannot be

determined. Accordingly, Applicant seeks compensation from this Court based on its customary hourly rates.

- Time limitations imposed. Because the Applicant was engaged long after the initial filing of the lawsuit, significant time limitations were present, requiring immediate attention to many matters that should have been handled by previous attorneys working on the case.
- Experience and ability of the attorneys. As detailed previously, Mr. Taylor is an experienced commercial litigator.
- The “undesirability” of the case. At the time the Applicant was engaged in this matter, Mr. Baron had switched attorneys several times, and accepting this engagement presented a substantial collection risk which had been rejected by several other firms. Furthermore, Mr. Baron had previously taken untenable positions with the court and ignored certain directives from the court. Accordingly, accepting this engagement placed the firm’s reputation at risk. In the initial hearing after the Applicant’s notice of appearance, the judge reaffirmed this risk, cautioning counsel that the court would hold counsel equally responsible for any failure to comply with the court’s directives.
- Nature and length of the relationship with the client. Applicant had no prior relationship with Mr. Baron prior to this engagement.
- Awards in similar cases. The compensation sought is reasonable in comparison to attorneys’ fees awarded in the prosecution of complex commercial litigation.

18. Applicant represents that the fees sought herein are fair and reasonable in connection with the services provided. The rates charged by Applicant are competitive and customary for the degree of skill and expertise necessary for cases of this type and are consistent with, or below, rates charged by other counsel with similar experience in the Northern District of Texas.

19. The work performed has been beneficial to the estate, as set forth above, and has made a substantial contribution to the estate and its creditors. Taking into account the time and labor spent, the nature and extent of the representation, and the results obtained in this proceeding, Applicant believes the compensation sought is reasonable and just.

V. CALCULATION OF FEES SOUGHT

20. Applicant is seeking the payment of \$78,058.50 in attorneys' fees from the bankruptcy estate, which represents the fair value of the services rendered. This amount was calculated by taking the value of the time billed in the PhoneCards.com Litigation at the firm's normal hourly rates, less the amounts paid by Mr. Baron prior to this application.

21. Applicant's fee arrangement with Mr. Baron, which is contained in the fee agreement attached hereto as Exhibit B, was actually a "blended fee" agreement. Under the terms of the written agreement, Mr. Baron was to pay the Applicant on a monthly basis for the time spent on the case at rates that were discounted by approximately 55% from the firm's normal hourly rates. In addition, the firm was to obtain a contingency fee interest in any settlement obtained. The contingency fee percentage was scheduled to increase from 12.5% to 20%, depending upon the time required to reach a resolution of the case. At the time of the Global Settlement Agreement, Applicant was entitled to a contingency fee of 15%.

22. Do to Mr. Baron's decision not to negotiate a separate settlement of the claims in the PhoneCards.com Litigation, Applicant has been deprived of the value of the contingency fee portion of its fees under the written agreement. Accordingly, Applicant seeks recovery of its fees at the normal hourly rates that would have been applied in the absence of a contingency-fee element.

23. Applicant's normal hourly rates are \$350 for partners and \$240 for associates. Applicant's partners spent 229 hours and its associates spent 306 hours working on the PhoneCards.com Litigation. The total value of these services, at the firm's reasonable and necessary rates, is \$153,590.00. Mr. Baron (or his self-directed IRA) paid \$68,044.00 toward these services during the time Applicant represent him. Applicant also holds a retainer balance of \$7,487.50, which Applicant believes should be credited toward this amount. Applicant seeks the difference between the value of the services and the total payments made, which totals \$78,058.50.

24. Despite demand by the Applicant, Mr. Baron has refused to pay this amount, and in fact, has refused to pay any compensation to the Applicant above the payments made prior to September 30, 2010. In fact, Mr. Baron refuses to pay the final bill on the hourly portion of the blended fee arrangement.

25. The amount sought in this motion is substantially less than the Applicant would have received had a separate settlement been negotiated on the PhoneCards.com Litigation. Although no actual settlement agreement was ever reached on these claims alone, we know the following:

- (a) Had a settlement been reached in February 2010, based on the evaluation provided to Mr. Hall, the settlement would have been for \$802,000. The

15% contingency fee on a settlement of \$802,000 would have been \$120,300.

(b) Had a settlement been reached that netted only 25% of the last complete damages model – which did not include any valuation of diverted customers – the settlement would have been for \$94,927 (25% of \$2,531,397, times the 15% contingency fee).

(c) Had the settlement negotiations occurred after the order compelling production of the database, when PhoneCards.com was in a strong negotiating position, the values obtained might have been even higher.

26. These estimations of the potential contingency fees that might have been obtained in a separate settlement demonstrate that the amount sought through the use of hourly fees alone is fair and equitable to the estate.

27. These fees substantially increased the value of the bankruptcy estate, because the efforts of the applicant developed and preserved significant assets – the PhoneCards.com claims – that were subsumed in the Global Settlement Agreement.

VI. REQUEST FOR RELIEF

28. Accordingly, Applicant respectfully asks this Court to enter an order granting approval of fees incurred during the Application Period in the amount of \$78,058.50, plus fees in the amount of \$2,800 (representing 8 hours of time) for the filing and prosecution of this Motion, as a substantial contribution to the Debtor's bankruptcy estate, compensable as an administrative expense pursuant to 11 U.S.C § 503(b)(4). Applicant requests that such fees be allowed to be compensated and reimbursed as an administrative expense from the Debtor's bankruptcy estate, and that such fees be immediately paid as allowed by the bankruptcy estate.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned does hereby certify that on this 6th day of December 2010, a true and correct copy of the above and foregoing *First Amended Application for Payment of Fees and Expenses as an Administrative Expense for a Substantial Contribution to the Estate*, was served upon the twenty largest unsecured creditors, all parties who have filed a notice of appearance, the United States Trustee and Jeffrey Baron, as more fully illustrated on the attached Master Service List, via First Class United States mail and/or electronic filing.

s/ Patrick W. Powers
Patrick W. Powers

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EXHIBIT 24

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: §
§
ONDOVA LIMITED COMPANY, § CASE NO. 09-34784-SGJ-11
§ (Chapter 11)
Debtor. §

MOTION FOR ALLOWANCE OF ATTORNEYS FEES PURSUANT TO
SUPPLEMENTAL SETTLEMENT AGREEMENT

TO THE HONORABLE STACEY JERNIGAN, U.S. BANKRUPTCY JUDGE:

COMES NOW Hohmann, Taube & Summers, L.L.P., Hitchcock Everett, LLP, West & Associates, LLP and Schurig Jetel Beckett Tackett (collectively "Movants") and file this their Motion for Allowance of Additional Attorneys Fees Pursuant to Supplemental Agreement and would respectfully show the Court as follows:

1. On or about August 12, 2010 this Honorable Court approved a Settlement Agreement between various parties in interest to this Bankruptcy Estate. In addition to the terms of the Settlement Agreement, Jeff Baron ("Baron"), Daniel J. Sherman, AsiaTrust, Ltd., Iguana Consulting, LLC, Novo Point, LLC, and Quantec LLC entered into a Supplemental Agreement to Mutual Settlement and Release Agreement.

2. Among the terms of the Supplemental Agreement was a provision which provided for a limitation on fees and expenses that would be payable to counsel for the months of June and July, and a prohibition on the payment of legal fees for legal representation incurred thereafter "...except as expressly provided in this Agreement or otherwise approved by Order of the Court."

3. As the Court is aware, since the approval of the Settlement Agreement by the Court, the parties have been involved in numerous activities in an attempt to close under the terms of the Settlement and Supplement. These activities were not contemplated at the time that the Supplemental Agreement was entered and could not have been reasonably predicted by AsiaTrust or any of Movants during the days prior to the execution of the Supplemental Agreement.

4. In addition to the fees and expenses which were permitted by the Settlement Agreement to be paid to Movants for the activities described, counsel for AsiaTrust has incurred over \$150,000.00 of fees and expenses which are not specifically delineated under the terms of the Supplemental Agreement. Such fees and expenses have been incurred as a result of the activities of Jeff Baron in connection with the consummation of the settlement, and have included but are not limited to, counsel having to appear at a Status and Show Cause hearing which have been instituted at the insists of this Court. The Supplement and Agreement (specifically Paragraph 3(a) and (c)) specifically contemplate the allowance of such additional fees. Movants request that appropriate provisions for payment of such fees be authorized.

WHEREFORE, PREMISES CONSIDERED Movants request that this Court authorize pursuant to the terms of the Supplemental Agreement to Mutual Settlement and Release Agreement the payment of additional fees and expenses as they may prove legal work and fiduciary activities

under the circumstances described herein. Movants further request such other and further relief as they may show themselves justly entitled.

Respectfully submitted,

HOHMANN, TAUBE & SUMMERS LLP

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ON BEHALF OF HOHMANN, TAUBE &
SUMMERS, L.L.P., WEST & ASSOCIATES,
LLP, HITCHCOCK EVERETT, LLP AND
SCHURIG JETEL BECKETT TACKETT

CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing document has been served upon those parties receiving the Court's ECF e-mail notification on this 21st day of September, 2010 and upon the attached Service List by depositing same in the United States First Class Mail on the 22nd day of September, 2010.

/s/ Eric J. Taube
Eric J. Taube

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: §
§
ONDOVA LIMITED COMPANY, § CASE NO. 09-34784-SGJ-11
§ (Chapter 11)
Debtor. §

ORDER GRANTING MOTION FOR ALLOWANCE OF ATTORNEYS FEES
PURSUANT TO SUPPLEMENTAL SETTLEMENT AGREEMENT

BE IT REMEMBERED that in this District came on for consideration the Motion for Allowance of Additional Attorneys Fees Pursuant to Supplemental Agreement filed by Hohmann, Taube & Summers, L.L.P., Hitchcock Everett, LLP, West & Associates, LLP and Schurig Jetel Beckett Tackett; and the Court, finding that the Supplemental Agreement to Mutual Settlement and Release Agreement attached to the Motion for Allowance provides for such fees and expenses to be paid upon Order of the Court; and further finding that under the circumstances Movants are entitled to additional fees as requested; it is therefore,

ORDERED, ADJUDGED and DECREED that AsiaTrust Ltd. may pay Hitchcock Everett, LLP the sum of \$ _____. AsiaTrust Ltd. may pay Hohmann, Taube & Summers, L.L.P. the additional sum of \$ _____. AsiaTrust Ltd. may pay West & Associates, LLP the additional sum of \$ _____. AsiaTrust Ltd. may pay Schurig Jetel Beckett Tackett the additional sum of \$ _____.

Signed on this ____ day of _____, 2010.

STACEY JERNIGAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 25

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

ONDOVA LIMITED COMPANY

Debtor.

§
§
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§
§
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§

**CASE NO. 09-34784-SGJ-11
Chapter 11**

**APPLICATION OF PRONSKE & PATEL, P.C.,
FOR PAYMENT OF FEES AS AN ADMINISTRATIVE
EXPENSE FOR A SUBSTANTIAL CONTRIBUTION TO THE ESTATE**

SUMMARY OF FEE APPLICATION

First Application of:	Pronske & Patel, P.C.
For the time period of:	February 1, 2010 through July 24, 2010
Capacity:	COUNSEL FOR JEFF BARON
Unpaid Fees and Expenses Sought:	\$241,172,70

TO THE HONORABLE STACEY G. JERNAGIN,
UNITED STATES CHIEF BANKRUPTCY JUDGE:

Pronske & Patel, P.C. (“Pronske & Patel” or “Applicant”) hereby files this its *Application for Payment of Fees and Expenses as an Administrative Expense for a Substantial Contribution to the Estate* (the “Application”) pursuant to 11 U.S.C. § 503(b)(4).

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this Application pursuant to 28 U.S.C. §§ 1334 and 157. This is a core proceeding under 11 U.S.C. § 157(b)(2)(A).

II. RELIEF REQUESTED

2. As more fully set forth herein, Pronske & Patel asks this Court to enter an order: granting approval and payment of fees and expenses incurred by Pronske & Patel during the Application Period in this case as a substantial contribution to the Ondova bankruptcy estate pursuant to 11 U.S.C. §503(b)(4).

III. FACTUAL BACKGROUND RELATING TO SUBSTANTIAL CONTRIBUTION TO THE ESTATE

3. For a six month period beginning in February 2010, Pronske & Patel's representation of Baron¹ became focused almost exclusively on the settlement (the "Settlement Negotiations") of various litigation in the Federal District Court for the Northern District of Texas, Dallas Division, and various Texas State Courts involving Netsphere, Inc., Baron and Ondova (the "Netsphere Litigation"). The Settlement Negotiations were, during that 6 month period, extremely time-consuming, contentious, complex, difficult – and successful. The Settlement Negotiations involved almost daily participation and work on Pronske & Patel's part. Pronske & Patel became a lead negotiator in the Settlement Negotiations along with John McPete (representing Netsphere), Ray Urbanik (representing the bankruptcy estate), Eric Taube and Craig Capua (representing either the Village Trust or various entities owned and controlled by the Village Trust), and numerous other parties. These Settlement Negotiations generated a

¹ Baron is a Creditor of the Ondova bankruptcy case. He filed numerous pleadings in the Ondova bankruptcy case stating that he was filing such pleadings as "as creditor" of Ondova. This position taken by Baron granted him standing to be heard in the Ondova bankruptcy case. By virtue of the standing garnered by the claim of being a Creditor in the case, he cannot now say that he is not a creditor. Further, Baron is the ultimate equity owner of Ondova, as he is the sole beneficiary of the Daystar Trust, which is the 100% equity owner of Ondova. 11 U.S.C. §503(b)(3)(D) and (b)(4).

settlement document that was over 100 pages long – every sentence of which was the subject of substantial negotiation and discussion, often resulting in impasse. The time-consuming nature of these negotiations is shown, by example, in the month of June 2010, where nearly every day, including both days of every weekend, was spent in negotiations. Most of the lawyers involved in these negotiations were experienced lawyers who have handled numerous significant cases in their careers. Nevertheless, most if not all of these attorneys agreed that this negotiation was the most complex and difficult negotiation that any of them had ever handled. The difficulty of the case was exacerbated by the difficulty of the personalities of the clients, each of which was often relentless with various positions and slow to warm to the idea of compromise without significant amounts of time being spent on any given issue at hand. Almost every issue of the Settlement Negotiation was an extended battle, often turning into impasse numerous times before a compromise could emerge.

4. Despite the difficulties in the Settlement Negotiations, a final deal was struck, and the terms of the deal were approved by this Court.

5. In terms of success, the Settlement Negotiations yielded payments to the bankruptcy estate of Ondova that will provide funds that will likely pay unsecured creditors a healthy, if not complete dividend. The cash sum of \$1,250,000 provided in the Settlement Agreement resulting from the negotiations has already been funded to the bankruptcy trustee by Netsphere, due to the success of the Settlement Negotiations. Absent continuing litigation with Netsphere, for which Netsphere's counter-parties were running out of funds to continue, no money would likely have been realized by the Ondova bankruptcy estate from Netsphere.

6. In terms of substantial contribution, the work performed by Pronske & Patel clearly resulted an actual and demonstrable (or, as some courts say, a "direct and material") benefit to the debtor's estate and its creditors. *See, e.g., Lister v. United States*, 846 F.2d 55 (10th Cir. 1988).

7. Pronske & Patel submits that without the work that it did in connection with the settlement, the settlement would likely not have come to fruition, and the Ondova estate would not have benefited from the cash that has been paid (and will be paid in the future) under the Settlement Agreement that will result in creditors of Ondova likely receiving up to 100% of the amount of their claims in this case.

8. The benefit that the Ondova estate realized as a result of the settlement amount to far more than an incidental one arising from activities the applicant has pursued in protecting its own interests. The work performed by Pronske & Patel has operated to foster and enhance, rather than retard or interrupt the progress of reorganization in this case.

9. The services performed by Pronske & Patel were in addition to, and were not duplicative of services performed by attorneys for the Bankruptcy Trustee. In many respects, the interests of Ondova and Baron against Netsphere were aligned, making the work performed by Pronske & Patel directly beneficial to the Ondova estate in terms of realizing sums from Netsphere by the Ondova estate that will be utilized to pay creditor claims a substantial dividend.

10. The reimbursement for attorneys' fees and expenses sought herein will not result in the impairment of other creditors; to the contrary, the work performed by Pronske & Patel will help to make a dividend to creditors much higher than it would otherwise have been.

11. Costs associated with bringing this Application include numerous hours that Pronske & Patel attorneys have spent in Court dealing with the issue of compensation in connection with the settlement negotiations, together with the time spent in preparing this application. These costs are compensable under 11 U.S.C. §503(b)(4). *In re Wind N' Wave*, 509 F.3d 938 (9th Cir. 2007) (“ . . . [C]reditors who receive compensation under 503(b)(4) should also be compensated for costs incurred in litigating a fee award, so long as the services meet the §

503(b)(4) requirements and the case “exemplifies a ‘set of circumstances’ where litigation was ‘necessary’” . . .”).

IV. SUMMARY OF SERVICES OF APPLICANT

12. Pronske & Patel hereby seeks this Court’s approval for compensation of professional services and reimbursement of expenses for the Application Period. Pronske & Patel has performed legal services in connection with this case, incurring unpaid fees in the sum of \$241,172.70 for attorney and paraprofessional time.

V. OBJECTIVE FACTORS AFFECTING LEGAL FEES

13. The fee setting process providing for the recovery of attorneys’ fees begins with an examination of the nature and extent of the services rendered or what is referred to as the “time spent” standard. In other words, a measure of the quantum of the services must precede the determination of the value of these services.² Exhibit A provides detail all of the time for which compensation is sought by Pronske & Patel, broken-down by month and day, and explains the hours by each attorney and paraprofessional who provided services in this case and the requested rate of compensation.

14. Pronske & Patel recognizes that this Court will allow lawyers to be compensated only for legal work performed and that the dollar value of a particular task is not enhanced simply because a lawyer performs it. Considerable care, therefore, has been taken to avoid the performance of purely ministerial tasks by using paraprofessionals where possible.

VI. SUBJECTIVE FACTORS AFFECTING COMPENSATION

15. In fixing the amount of reasonable compensation to be awarded a law firm for worked performed in a case, the Court may consider factors other than the numbers of hours

² See *In re First Colonial Corp. of America*, 544 F. 2d 1291 (5th Cir.) cert. denied, 97 S. Ct. 1696 (1977).

spent and the hourly rate normally charged.³ The standards established by Fifth Circuit have been further modified by the opinion of the Supreme Court in *Pennsylvania v. Delaware Valley Citizens Counsel for Clean Air*.⁴ While *Delaware Valley* concerned the award of attorneys' fees under section 304(d) of the Clean Air Act, the language of the opinion makes it generally applicable to the award of attorneys' fees pursuant to federal statutes which require that the fee awarded be "reasonable."

16. In *Delaware Valley*, the Supreme Court, in considering the *Johnson* case, noted the practical difficulties encountered by courts in applying the sometimes-subjective *Johnson* factors. The Court in *Delaware Valley* also considered the "lodestar" approach of the Third Circuit Court of Appeals.⁵ The Court also revisited its prior opinions⁶ whereby it determined that the proper first step in determining a reasonable attorneys' fee is to multiply the number of hours reasonably expended on the litigation times a reasonable hourly rate, and that adjustment of this figure based on some of the *Johnson* factors might be appropriate,⁷ but that such modifications would be proper only in certain rare and exceptional cases and when supported by specific evidence and detailed findings of the lower court.⁸ In *Delaware Valley*, the Court took an even more restrictive approach to the relevance of the *Johnson* factors and concluded that the

³ See *In re First Colonial Corp. of America, supra*; and *Johnson v. Georgia Highway Express, Inc.*, 488 F. 2d 714 (5th Cir. 1974).

⁴ *Pennsylvania v. Delaware Valley Citizens Counsel for Clean Air*, 478 U.S. 546.

⁵ See e.g., *Lindy Brothers Builders, Inc. v. American Radiator and Standard Sanitary Corporation*, 487 F. 2d 161 (3d Cir. 1973) (Lindy I).

⁶ See *Hensley v. Eckerhart*, 461 U.S. 424 (1983); *Blum v. Stenson*, 465 U.S. 886 (1984).

⁷ See *Hensley*, 461 U.S. at 434, n. 9.

⁸ See *Blum*, 465 U.S. at 898-901.

“lodestar” figure includes most, if not all, of the relevant factors comprising a “reasonable attorneys’ fee.”⁹

17. Thus, under the *Delaware Valley* approach, this Court is guided to determine the number of hours reasonably spent in representing the Trustee, multiplied by a reasonable hourly rate for the services performed. The following discussion incorporates the *Johnson* factors only insofar as they might add the Court in its determination of the “lodestar” figure.

18. The following subjective *Johnson* factors are offered for consideration:

- Time and the labor required. Pronske & Patel attorneys and paraprofessionals have expended a significant number of hours providing necessary and reasonable services incident to its representation of the Baron for the Application Period, as detailed in the attached **Exhibit A**. The total value of this time is **\$241,172.70**.
- The novelty and difficulty of the questions. This case presented several novel and/or difficult issues in varying degrees. It was necessary for Pronske & Patel to analyze these complex problems in the light of applicable laws and seek resolution based on such laws with the objective of achieving a result which would benefit the Estate.
- The skill requisite to perform the legal services properly. Mr. Gerrit Pronske is a skilled and highly experienced attorney who has specialized in commercial bankruptcy law for 28 years. Mr. Pronske is a shareholder in the firm of Pronske & Patel. He was a law clerk to the now retired Honorable Robert C. McGuire, Chief Bankruptcy Judge of the Northern District of Texas. He is a regular presenter at legal seminars on

⁹ See *In Delaware Valley*, 106 S. Ct. at 309.

commercial and consumer bankruptcy, commercial transactions and other related topics. Mr. Pronske is the author of PRONSKE'S TEXAS BANKRUPTCY ANNOTATED, which is published by Texas Lawyer, and currently in its 10th Edition. Additionally, Mr. Pronske is the editor of 2010 PRONSKE'S TEXAS BANKRUPTCY MINI-CODE, also published by Texas Lawyer. Ms. Rakhee V. Patel, a partner with Pronske & Patel, was a bankruptcy law clerk for Judge Harlin D. Hale and a bankruptcy law clerk for Retired Judge Robert C. McGuire. Ms. Patel is a regular speaker at legal seminars on commercial bankruptcy and author of various bankruptcy related articles. Ms. Christina W. Stephenson, an associate, has practiced bankruptcy law for two years and is a former extern for the Honorable Harlin D. Hale. Ms. Sandra Meiners and Mr. Louis Whatley, legal assistants, provided assistance in this case. Both are proficient legal assistants with a total of over 30 years experience in bankruptcy law.

- The preclusion of other employment by attorneys due to acceptance of this case. This factor was present because Mr. Pronske spent a significant amount of time on this case, thereby precluding other representation.
- The customary fee. Exhibit A to this Application sets forth the hourly rate at which compensation is requested. These rates are no greater, and in many cases considerably less, than those being charged by attorneys for other major parties-in-interest in this or other bankruptcy cases in this district. Pronske & Patel and other similar firms customarily charge these

rates for equivalent services. These rates compare favorably to the cost of legal services to ordinary corporate legal consumers.

- Whether the fee is fixed or contingent. The fee in this case is not contingent upon the outcome of any particular issue or adversary proceeding.
- Time limitations imposed by the client or other circumstances. Time constraints have been substantial in this case as shown by the time records attached hereto as **Exhibit A**.
- The experience, reputation and ability of the attorneys. Applicant submits that Ms. Patel and Mr. Pronske have established themselves as able and conscientious practitioners in the Northern and other districts of Texas. Ms. Stephenson is an experienced bankruptcy associate. Ms. Meiners and Mr. Whatley are proficient legal assistants with substantial experience in bankruptcy law.
- The “undesirability” of the case. This factor is not relevant in this case.
- The nature and length of the professional relationship with the client. Applicant had no professional relationship with the Baron prior to their retention by the Baron as counsel.
- Awards in similar cases. Pronske & Patel represents and would demonstrate that the compensation for the services rendered and expenses incurred in connection with this case is not excessive and is commensurate with, or below the compensation sought or ordered in similar cases under the Bankruptcy Code. Pronske & Patel’s fee request is based upon normal hourly charges that Pronske & Patel charges private clients of the firm.

Taking into consideration the time and labor spent, the nature and extent of the representation, Pronske & Patel believes the allowance prayed for herein is reasonable.

- Additional consideration. The Court in *First Colonial Corp. of America, supra*, stated that two additional considerations should be considered by the Court:

- The policy of the Bankruptcy Code that estates be administered as efficiently as possible. It is the policy of Pronske & Patel to assign work to attorneys who have the degree of expertise and specialization to perform efficiently and properly the services required and to utilize law clerks and legal assistants whenever appropriate. This practice has been followed to date in this case and will be followed in the future.

- The Bankruptcy Code does not permit the award of duplicate fees or compensation for non-legal services. There has been no unnecessary or unavoidable duplication of legal services and there have been no non-legal services performed by this firm for which legal fees have been charged.

VII. REASONABLENESS OF PRONSKE & PATEL'S FEES

19. Pronske & Patel's representation of the Baron were time intensive during the Application Period. Pronske & Patel accepted this engagement without certainty that all of its fees and expenses would be paid and is charging a fixed hourly rate for services performed.

20. Pronske & Patel represents that the fees and expenses requested herein are fair and reasonable in connection with the services provided. The rates charged by Pronske & Patel are competitive and customary for the degree of skill and expertise necessary for cases of this type and are consistent with, or below, rates charged by other counsel with similar experience in the Northern District of Texas.

21. The work Pronske & Patel performed during its representation herein has been beneficial to the estate as set forth above, and has made a substantial contribution to the estate and its creditors. Taking into consideration the time and labor spent, the nature and extent of the representation, and the results obtained in this proceeding, Pronske & Patel believes the allowance prayed for herein is reasonable and just.

VIII. SUMMARY

22. Applicant seeks an award of compensation as set forth in **Exhibit "A"**, for attorneys' time and paraprofessionals' time for services furnished to the Baron during the Application Period in the unpaid amount of **\$241,172.70**. Pronske & Patel additionally requests this Court to award the fees and expenses associated with the filing and prosecution of this Motion.

23. **Exhibit "A"** to this Application details how time was spent as well as how the requested compensation has been calculated. The amounts sought are fair and reasonable compensation in light of all the circumstances.

IX. REQUEST FOR RELIEF

For these reasons, Pronske & Patel respectfully asks this Court to enter an order: (i) granting approval of all fees and expenses incurred by Pronske & Patel in this case during the Application Period in the amount of **\$241,172.70** (plus the fees and expenses associated with the filing and prosecution of this Motion) as a substantial contribution to the Debtor's bankruptcy

estate, compensable as an administrative expense pursuant to 11 U.S.C. §503(b)(4) (ii) allowing compensation and reimbursement of all sums requested as an administrative expense from the Debtor's bankruptcy estate, pursuant to the fee statements attached as **Exhibit A** for the Application Period; and (iii) authorizing the allowed fees and expenses to be immediately paid as allowed by the bankruptcy estate as an administrative expense.

Dated: October 20, 2010
Dallas, Texas

Respectfully submitted,

s/ Gerrit M. Pronske
Gerrit M. Pronske
State Bar No. 16351640
Rakhee V. Patel
State Bar No. 00797213
PRONSKE & PATEL, P.C.
2200 Ross Avenue, Suite 5350
Dallas, TX 75201
214-658-6500 – Telephone
214-658-6509 – Telecopier

CERTIFICATE OF SERVICE

The undersigned does hereby certify that on this 20th day of October 2010, a true and correct copy of the above and foregoing *Fee Application of Pronske & Patel, P.C.*, was served upon the twenty largest unsecured creditors, all parties who have filed a notice of appearance, the United States Trustee and the Baron, as more fully illustrated on the attached Master Service List, via First Class United States mail and/or electronic filing, if available.

/s/ Gerrit M. Pronske
Gerrit M. Pronske

EXHIBIT 26

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., ET AL. (Number 3: 09-CV-0988-F
Plaintiff, ()
vs. ()
JEFFREY BARON, ET AL. ()
Defendant. (June 19, 2009

Status Conference
Before the Honorable Royal Furgeson

A P P E A R A N C E S:

For the Plaintiff: JOHN W. MACPETE
LOCKE LORD BISSELL & LIDDELL LLP
2200 Ross, Suite 2200
Dallas, Texas 75201
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For the Defendant: Caleb Rawls
Godwin Pappas & Ronquillo PC
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James Bell
Bell & Weinstein
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Dallas, TX 75206
Phone: 214/293-2263

Reported by: Cassidi L. Casey
1100 Commerce Street, Rm 15D6L
Dallas, Texas 75242
Phone: 214-354-3139

08:19 1 THE COURT: I like California. Wish they had a
2 better system of governance, but I like California.

3 MR. BELL: We're in a little bit of a quagmire,
4 and I think the best thing to do would be to order us
5 right now -- It sounded like I was quasi-joking, but we
6 need to get into a room and get this knocked out, and
7 we're ready, willing and able to perform in contravention
8 of Mr. MacPete's representation, and I'm not saying he
9 misrepresented. We're ready willing and able to perform.
10 We want the case off the docket. There is a state court
11 motion pending. A motion to enforce in that court and I
12 don't believe, with all due respect to the Court, the
13 state court has jurisdiction on this.

14 THE COURT: They do and I have jurisdiction,
08:20 15 too. So I'll tell you what. I am going to stay in this
16 case through the preliminary injunction, and there is an
17 order entered. Nobody can violate it. Anybody violates
18 it, you are all paying big dollars. Not only corporately
19 but personally also. You want to challenge the court
20 order, I have the marshals behind me. I can come to your
21 house, pick you up, put you in jail. I can seize your
22 property, do anything I need to do to enforce my orders.
23 I'm telling you don't screw with me. You are a fool, a
24 fool, a fool, a fool to screw with a federal judge, and if
25 you don't understand that, I can make you understand it.

08:21 1 I have the force of the Navy, Army, Marines and Navy
2 behind me. There is a lot of playing games. Both sides
3 are probably completely complicit. But it's time to
4 resolve this. If you don't want to resolve it, I can put
5 you in jail. I can hold you six months, twelve months,
6 eighteen months, and I can do that, and if you want me to
7 do it, I will be glad to do it, but you need to be serious
8 about this. There is a problem here that I do not
9 understand. It's really beyond my comprehension, and I
10 actually am not a completely dumb person. So you need to
11 get this resolved.

12 MR. BELL: I have been on the case eight days.
13 So I'm not entirely complicit.

14 THE COURT: Everybody is to blame. When you get
08:22 15 up in the morning look in the mirror. Everybody is to
16 blame here. I'm going to hear you on the 1st, if I have
17 to, but in the meantime, there needs to be two adults, one
18 on each side, that figures this out.

19 MR. BELL: Do you think, your Honor -- I mean I
20 would make an oral motion before the honorable court maybe
21 to order a mediation and get this thing out and off your
22 docket.

23 THE COURT: There is no question that's what
24 needs to be done. Apparently, there is a lot of money to
25 be had here. Let's not be greedy. Let's get this done

08:22 1 and figure it out. I'm not going to order you to do
2 anything. You can do absolutely nothing until you show up
3 on the first. But on the 1st, the door is shut, and
4 everything ends, and I am going to enter orders that
5 nobody may like. It may not be good for anybody. I may
6 actually appoint a receiver and ask the receiver at the
7 expense of all the parties to find a new registrar. I'll
8 order Ondova and Mr. Baron to put every domain he's got in
9 with the new registrar. I'll have the new registrar
10 protect these names, and then we'll just wait for a trial
11 in five or six years and go from there. So you know,
12 there is things I can do. I'm sure the receiver won't
13 cost more than two or three hundred thousand dollars,
14 maybe half a million. But I know you have the money
08:23 15 because these things are valuable.

16 MR. BELL: I think that's the low end.

17 THE COURT: A million dollars. I'm sure there
18 is a good receiver out there that would love to have this.
19 So at any rate, you know -- You know, don't give us what
20 you think is your rightful interests. But I'm telling
21 you, the Court's are going to resolve this. You are not
22 going to resolve ex parte or at a whim. The courts are
23 going to resolve it, and if you don't like what the courts
24 do, we can pick you up on the street and put you in jail.
25 That's the way it works. So it's time to get serious here

08:24 1 and time to understand that once the Court steps in,
2 that's it, and I've got this case, and I'm keeping it. So
3 you want to screw with me, have at it. But I can put you
4 in jail, and I will do it, and I can also take all of your
5 money away from you. I can look at all of your financial
6 statements. I can take every penny you've got if I think
7 you are doing stuff that's unlawful, illegal, fraudulent
8 and whatever. So let's don't test me here. And at the
9 same time if you think you are right, litigate it.
10 Litigate it to the cows come in, but don't screw with the
11 courts.

12 That's where we are, Mr. Bell. You don't have
13 to do anything this weekend. You can play all next week,
14 but on the 1st something is going to happen.

08:25 15 MR. BELL: If I may.

16 THE COURT: Sure.

17 MR. BELL: How much time do we have for the
18 preliminary injunction hearing?

19 THE COURT: A day.

20 MR. BELL: Right now, unless we can get this
21 thing resolved which is my intention, I think Mr. MacPete
22 would agree we can bang it out over the weekend. I have
23 just gotten on the case. My client is going to appear. I
24 would ask that you order the plaintiff, especially Mr.
25 Munish, to appear as well.

EXHIBIT 27

Jeffrey Baron and Ondova Limited Company, will experience no prejudice since the Defendants have the financial ability to retain new counsel and have contemplated hiring other very competent attorneys to handle this case. Further, the Defendants have been advised as to all deadlines and procedural aspects with respect to the above-captioned case.

The Defendants have been advised of the Movants desire to withdraw as their counsels of record. The Defendants have been provided with a copy of this Motion. The last known address for Defendants is 2828 Trinity Mills Road, Suite 225, Carrollton, Texas 75006.

FACTUAL BACKGROUND

The Defendants currently have three counsels of record in the above-captioned civil action; namely, Anthony Vitullo, James Bell, and Caleb Rawls. There is a Preliminary Injunction hearing on this case on July 1, 2009 and a temporary restraining order restraining Defendants ability from deleting domain names. The Court has ordered Defendant to produce documents to Plaintiff by 4:00 p.m. on June 22, 2009. Defendant's deposition is set for June 23, 2009 at 9:00 a.m. Plaintiffs Munish deposition is set for June 24, 2009 at 9:00 a.m. The Plaintiffs and Defendants are currently under an Order for Expedited Discovery.

ARGUMENTS AND AUTHORITIES

The Movants respectfully request that this Honorable Court allow them to withdraw as counsels for the Defendants because good cause exists for the withdrawal. *See* Tex. R. Prof. Conduct, Rule 1.15. It is well established Texas law that law firms may withdraw as counsel for a client if there is no prejudice to the client and good cause exists for the withdrawal. *Id.* On the facts present in this case, the Movants have un-resolvable conflicts with the Defendants. *Id.* The Defendants will not be prejudiced by the Movants withdrawal as counsels because the Defendants have the financial ability to retain new counsel and have been contemplating hiring new counsel for several weeks.

It is in the Movants best interest as well as the best interest of the Defendants that the attorney-client relationship be terminated in this case. The Movants withdrawal will be accomplished without material adverse effects on the interests of the Defendants. *Id.*

Accordingly, the Movants respectfully request that this Honorable Court allow the Movants to withdraw as counsels for the Defendants. This Motion is not sought for delay, but so that justice is served.

PRAYER

WHEREFORE, PREMISES CONSIDERED, the Movants respectfully move this Honorable Court for an Order permitting and granting the withdrawal of the Movants and all their associated attorneys as counsels of record for the Defendants, and providing that the Movants are relieved of any further responsibility associated with the representation of the Defendants in this case. The Movants respectfully request such further general or specific relief to which they may be entitled.

/s/ Anthony L. Vitullo
Anthony L. Vitullo
State Bar No. 20595500
FEE, SMITH, SHARP & VITULLO, L.L.P.
Three Galleria Tower
13155 Noel Road, Suite 1000
Dallas, TX 75240
Telephone: 972/934-9100; facsimile: 972/934-9200

/s/ Caleb Rawls
Caleb Rawls
State Bar No. 24041753
Law Offices of Caleb Rawls
3390 Northaven Road
Dallas, TX 75229
(972) 804-9068

/s/ James Bell
James Bell
State Bar No.24049314
P.O. Box 1424

Pacific Palisades, CA 90272
214-293-2263 phone; 866-750-4141 facsimile

CERTIFICATE OF SERVICE

I hereby certify that on June 22, 2009, I electronically filed the foregoing document with the clerk of the court for the U.S. District Court for the Northern District of Texas Dallas Division, using the electronic case filing system of the Court. The electronic filing system sent a "Notice of Electronic Filing" to all attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means.

John MacPete
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201

/s/ Anthony L. Vitullo
ANTHONY L. VITULLO

CERTIFICATE OF CONFERENCE

The Movants hereby certify that they contacted Plaintiff's lead counsel and that he does not oppose this Motion. The Movants also certify that they informed the Defendants of this Motion to Withdraw and he consents to the Motion to Withdraw. To the extent this Honorable Court requires an in-camera or telephonic hearing regarding the specifics of this Motion, the Movants are available for such a hearing.

/s/ Anthony L. Vitullo
ANTHONY L. VITULLO

EXHIBIT 28

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**NETSPHERE, INC.
MANILA INDUSTRIES, INC.; and
MUNISH KRISHAN**

Plaintiffs,

vs.

**JEFFREY BARON and
ONDOVA LIMITED COMPANY,**

Defendants.

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CIVIL ACTION NO. 3-09CV0988-F

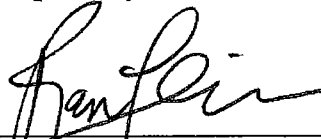
NOTICE OF APPEARANCE

PLEASE TAKE NOTICE that Jeffrey Baron (“Baron”) and Ondova Limited Company (“Ondova”) (Baron and Ondova are collectively referred to as “Defendants”), by and through the undersigned counsel, file this Notice of Appearance and request that copies of all correspondence, notices and pleadings hereafter given or filed in this case be given and served on Defendants by serving:

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Dated: June 23, 2009

Respectfully submitted,



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**COUNSEL FOR DEFENDANTS
JEFFREY BARON AND
ONDOVA LIMITED COMPANY**

CERTIFICATE OF SERVICE

I hereby certify that on June 23, 2009, I electronically filed the foregoing document with the Clerk of Court for the U.S. District Court for the Northern District of Texas, Dallas Division, using the electronic case filing system of the Court. The electronic case filing system will send a "Notice of Electronic Filing" to the following attorneys of record who have consented in writing to accept the Notice as service of this document by electronic means:

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Ryan K. Lurich

EXHIBIT 29

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., ET AL. (Number 3: 09-CV-0988-F
Plaintiff, ()
vs. ()
JEFFREY BARON, ET AL. ()
Defendant. (July 1, 2009

Status Conference
Before the Honorable Royal Furgeson

A P P E A R A N C E S:

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09:51 1 to get our business back from under the finger on the
2 nuclear button.

3 THE COURT: How do you think that's best done?

4 MR. MACPETE: I have heard from Mr. Krause that
5 he's going to insure that those portions of the
6 preliminary injunction get complied with, and maybe, as I
7 naively told the court two Fridays ago, that I thought he
8 would obey a federal court order -- I guess I still have
9 some belief he's going to do what he needs to do. I
10 suppose if he doesn't, we'll be back dealing with that.
11 I'm hopeful that your Honor is going to take up the
12 process issue today and do something about the willful
13 violations of your order that maybe in the future we could
14 have more confidence he's going to obey.

09:52 15 THE COURT: Well, as far as the willful
16 violations of my order, I need a motion, and I don't have
17 a motion on that. But I am terribly concerned. That's
18 the reason I didn't continue the hearing. I'm very
19 concerned that no matter what I do, Mr. Baron is not going
20 to pay attention.

21 MR. KRAUSE: Can I address the Court on two
22 points?

23 THE COURT: Yes.

24 MR. KRAUSE: We do need a motion. I think we
25 could have been better prepared today if we had a motion.

09:52 1 I have to address one point because I think it's impugning
2 my integrity. There was a discussion about extensions
3 yesterday. The price for that extension was almost
4 \$30,000. My client would not do that. I'd like to know
5 these Funnynames -- We have had testimony about this. Is
6 this a deleted name, one of the names you need to evaluate
7 to determine whether or not you want to restore it?

8 MR. MACPETE: No. The Funnyvideos and games are
9 not names which were deleted. We're using them to
10 exemplify for the Court that he has log-ins and pass codes
11 for names at his registrar which he has not turned over.

12 MR. KRAUSE: Those issues have passed with the
13 entry of the preliminary injunction. We split the names.
14 Friday in an e-mail -- I don't have it with me. I'll
09:53 15 provide it to the Court today. I said, "John, why do we
16 have to have this hearing? We'll get you whatever
17 discovery you need. But give us until after we comply
18 with the order. What do you need now?" That's what I
19 said and "We will work to make sure this order is complied
20 with." I can't do it myself.

21 THE COURT: I actually feel that you will if you
22 are here at the next hearing.

23 MR. KRAUSE: Yes.

24 THE COURT: And the problem is --

25 MR. KRAUSE: Sort of a receiver, why don't we

09:54 1 set up a conference call with the Court every day and head
2 these issues off. I want to head these issues off. I
3 still feel like I'm in ambush mode.

4 THE COURT: What I think you are in is you're in
5 catch-up mode, and I do appreciate that problem. You may
6 step down, Mr. Baron, for right now.

7 MR. MACPETE: Your Honor, I have his e-mail if
8 you would like to look at it.

9 THE COURT: Let me tell you what I think we need
10 to do. The reason I had this hearing is that I am very
11 uncertain that I am going to get done what needs to get
12 done in this case, and I think there have been too many
13 judges that have said somebody else has jurisdiction or
14 control. I have the jurisdiction of the parties. They
09:55 15 are in my court.

16 First of all, I need to make sure that you stay
17 in the case. I don't want a ninth set of lawyers in the
18 case. I need money put in your trust account by
19 Mr. Baron. And I'll tell you how much money I need in
20 your trust account. I need \$50,000 in your trust account,
21 and that is nonrefundable. That's nonrefundable. When
22 that runs out, I need another \$50,000 in your trust
23 account, and again that's nonrefundable. And I need that
24 done, and I need an order, and Mr. Krause, you prepare a
25 very short order for me that it is ordered that the

09:56 1 defendant put \$50,000 into the trust account -- Give me
2 your name again.

3 MR. KRAUSE: Friedman and Figer.

4 THE COURT: Friedman and Figer. And it's
5 nonrefundable, and of course, your hourly rates are to be
6 applied against that fund, and when that account is
7 diminished by your rate, another \$50,000 is to go in, and
8 when that is diminished, another fifty thousand must go in
9 until the matter is resolved. I don't want anymore
10 lawyers in this case, and I do think it's instructive that
11 you worked out the preliminary injunction. I do feel that
12 shows I've got lawyers who at least understand the
13 problems. But that \$50,000 needs to go into your account
14 on July 6th. It needs to be replenished and always
09:57 15 nonrefundable.

16 By the way, you are not getting out of this
17 case. So I don't want to see any motion to withdraw. And
18 I am going to keep that trust account of yours replenished
19 until we get this done. So I need that order. You can
20 just put it on -- put that motion and order on CM/ECF, and
21 I'll sign it. It ought to be done this afternoon or in
22 the morning.

23 Also, I need the preliminary injunction to be
24 amended to give more time -- And by the way, you are
25 reaching the end of my patience here. Because I may put a

EXHIBIT 30

09:14 1 up to?

2 MR. LURICH: Candidly, your Honor, I don't know
3 the aspects of everything. I have some e-mail
4 communications with him.

5 MR. KRAUSE: I do think -- and I reported on the
6 call Monday -- he has been hired by Mr. Baron as a general
7 counsel. I think he primarily is involved in helping Mr.
8 Baron on business aspects, and I did not know that he
9 apparently helped Jeff send out these e-mails last night.
10 I don't believe there was a five o'clock deadline
11 yesterday, by the way. I believe they were sent pursuant
12 to the order.

13 THE COURT: Why did Mr. Kline take it upon
14 himself to send an e-mail that was different from the one
09:15 15 agreed to?

16 MR. KRAUSE: I don't know the answer to that,
17 but I think the differences are minor. I think what they
18 sent -- When I woke up this morning, I had twenty-five
19 e-mails on my Blackberry. I can't read those on the
20 Blackberry. Earlier in the day when I sent Mr. MacPete
21 the first e-mail draft, I think that's what they used.
22 But any differences can be resolved. John and I knew that
23 we were going to get feedback from these people and have
24 to talk to them. If there is any concerns that need to be
25 addressed, we can do that.

09:16 1 THE COURT: Do you have his number?

2 MR. KRAUSE: I don't.

3 THE COURT: What is Mr. Kline's name.

4 MR. KRAUSE: Jay Kline, Jr.

5 MR. LURICH: I believe he practices with Kline
6 and Kline. His father is a lawyer as well.

7 MR. MACPETE: Your Honor, the key factor in
8 that --

9 THE COURT: I've got one in larger print. Is
10 that the one agreed to.

11 MR. MACPETE: That's the one agreed to, your
12 Honor.

13 THE COURT: Okay.

14 MR. MACPETE: The one in smaller print, the way
09:23 15 the letter was sent out, the PDF was unable to respond.
16 So I was unable to print it. So I had to do the
17 print-screen thing. So I apologize for it being so small.
18 That's the only way I could print it out.

19 The first letter basically says, We have a
20 contract with you, and any names under that contract, any
21 money you get for names under that contract, you need to
22 pay in this way. So it essentially eliminates the
23 wiggling, if you will, that Mr. Baron has been doing about
24 what he thinks is at issue versus what the lawyers think
25 is at issue.

09:23 1 The first one, by Mr. Kline deletes the sentence
2 we have about the contract, and then it says just monies
3 related to the Simple Solutions and Manassas portfolios,
4 and I have no idea what those are, and I don't know
5 whether that's Mr. Baron again, his personal opinion about
6 the names which are at issue in this lawsuit versus what's
7 actually at issue, and that's the problem I'm having
8 between the two letters, aside from the fact that he sent
9 out a letter I didn't agree to, I hadn't even seen.

10 MR. KRAUSE: Your Honor, I think this is easily
11 fixed. What we heard from one of these folks that wants
12 to see the order -- That's one of the things we need to
13 talk about. I don't think any of these people are going
14 to comply with that request without seeing the order, and
09:24 15 we now have the e-mail addresses we can send from the
16 lawyers -- send a clarification e-mail today to resolve
17 this.

18 MR. MACPETE: That issue did come up last night.
19 Unfortunately, I happened to be sitting in front of my
20 computer when this all came out, and I don't know if Mr.
21 Kline is aware the preliminary injunction is sealed. So I
22 immediately responded to the third-party company that said
23 we'd like to see a copy of the order and said You can't,
24 but you are getting the direction from your client. You
25 don't need to see the order. Your client is telling you

09:25 1 this is how they want the money paid out. The fact that
2 he's been told to do that by the Court is not really
3 relevant for your purposes. So I disagree with Mr. Krause
4 that we need to be showing the order around. That was the
5 whole idea behind Mr. Baron would be the one sending out
6 the notices, coming from the customer.

7 THE COURT: Do we have Mr. Kline's phone number

8 MR. LURICH: The third-party imaging companies
9 are not our clients. We're trying to assist in that
10 process with the remote servers. They wanted to see the
11 orders.

12 MR. MACPETE: We're talking about the
13 monetization company.

14 MR. LURICH: The order we want to send is to the
09:25 15 servers.

16 MR. MACPETE: No, you have mixed it up.

17 MR. KRAUSE: Different issues. I think one
18 problem is that not all of these monetization companies
19 have contracts with my client, and we're going to have to
20 show something to them. The order I think is the only
21 thing that can do that to get them to comply with the
22 order.

23 THE COURT: Well, we can work on this a minute.

24 Ms. Casey has the number. What is his number?

25 9-7-2-2-1-7-2-3-9-4.

09:27 1 THE COURT: Mr. Kline, this is Judge Furgeson
2 from federal court. I'm calling you to tell you you may
3 be under some confusion representing Ondova and Mr. Baron,
4 but anything that involves litigation in my Court should
5 be coordinated through Mr. Lurich and Mr. Krause. An
6 e-mail was sent out this last night to we think
7 monetization firms that was not agreed to by the parties,
8 and so I've got to put you in touch with Mr. Lurich and
9 Mr. Krause as soon as possible. If you have any questions
10 about how this is to be arranged or done, we can have a
11 hearing in my court this afternoon or in the next several
12 days so that I can give you clear instructions about what
13 you are supposed to do. But you are not to do anything in
14 regard to the pending litigation.

09:28 15 I tell you --

16 MR. KRAUSE: I think he got the point.

17 THE COURT: Why don't you guys try to call? I
18 may have to enter an order on Mr. Kline or advisory.

19 MR. MACPETE: Your Honor, I don't have any
20 problem with Mr. Kline. I think what's happened here is
21 there is a demonstrated track record of playing games with
22 lawyers, and I think this is a situation where Mr. Kline
23 got bamboozled by Mr. Baron who knew very well he was not
24 supposed to send out the letter he wrote and knew it was
25 not supposed to go to Google and Oversee, and he worked a

09:30 1 lawyer unfamiliar with the facts. That's what I'm
2 complaining about. I think Mr. Kline in this case was
3 probable an innocent dupe.

4 THE COURT: Well, I'm not going to make any
5 judgments.

6 MR. LURICH: Voice mail, your Honor.

7 MR. KRAUSE: I would add from my knowledge of
8 what happened is he was providing help to Mr. Baron
9 sending out the e-mails, and I do doubt that he understood
10 that there were two versions of the e-mail. I don't have
11 any doubts about that.

12 THE COURT: Well, I don't need a lot of chefs in
13 the kitchen. That's my goal. I want to keep you guys as
14 the chefs. I want you guys to keep trying to talk to Mr.
09:30 15 Kline. If he has any questions, I will be glad to meet
16 him in court and clarify his instructions. But he may be
17 certainly innocent. He may be being helpful. We just
18 have got to get this straightened right away.

19 Now, Mr. Lurich, what do you have to tell me?

20 MR. LURICH: I'd like to address some of the
21 things counsel informed the Court with respect to the
22 progress of the preliminary injunction. We certainly
23 dispute that there was any noncompliance with respect to
24 the passwords and log-ins. That information was provided
25 by 5:00 p.m. on Friday, July 3rd. As the order says, if

EXHIBIT 31

08:20 1 in Judge Hoffman's court?

2 MR. LURICH: No, but he did enter a stay. So
3 all matters in Judge Hoffman's court have been put on hold
4 depending on this Court and obviously the bankruptcy.

5 THE COURT: Did your firm file the bankruptcy or
6 did another firm?

7 MR. FRIEDMAN: Can I address that, your Honor?

8 THE COURT: Sure.

9 MR. FRIEDMAN: For the record, Larry Friedman.
10 I didn't find out about the bankruptcy until about ten
11 o'clock last night when I checked my e-mails and saw an
12 e-mail that indicated that this bankruptcy had been filed.
13 So we had no knowledge. My firm didn't file it. I notice
14 today in the court there is an attorney, J. Kline, who was
08:21 15 working as an assistant to Mr. Baron at the office doing
16 some transactional work, and I understand it was either
17 Mr. Kline's decision or it was Mr. Kline motivated the
18 filing of this bankruptcy.

19 Now, this is the second time Mr. Kline has
20 interfered with my stewardship of this case. The first
21 time he called Mr. Giovanni (phonetic), who called Mr.
22 MacPete, and Mr. MacPete reported that to the Court. I
23 had a conversation with Mr. Kline, and I reported to Mr.
24 Kline this Court's order that no lawyer would participate
25 in this case on behalf of this side without this Court's

08:22 1 permission. And I not only reported that order to Mr.
2 Kline, I got Mr. Kline's commitment as an attorney that he
3 wouldn't meddle in this case. Obviously, that didn't
4 happen because apparently he went to his buddy last night,
5 Paul Keiffer, and behind my back put Ondova into
6 bankruptcy. Not only do I think that's a bad idea for my
7 clients, but it's discourteous to me, Mr. Lurich, Mr.
8 Krause, who have been working diligently on this case, and
9 discourteous to the Court as to how it happened. And
10 since Mr. Kline is here maybe he has an explanation for
11 all of this.

12 THE COURT: Okay. Thank you, Mr. Friedman. In
13 just a minute I will ask Mr. Kline to bring us up to date.

14 MR. FRIEDMAN: As to Mr. Baron, I will say this.
08:23 15 Since I have met Mr. Baron, I have kind of grown to like
16 Mr. Baron. He's an unusual type of person. Kind, shy,
17 kind of sheepish. But I do think since Mr. Lurich took
18 over and Mr. Krause took over, they have Mr. Baron pretty
19 much on the right track. He works by himself. He doesn't
20 have any staff. He's overwhelmed with the work that's
21 required of him. He's working seven days a week, working
22 eighteen hours a day. I don't know that what is occurring
23 is perfect, but I do think that he's doing the best he
24 can. I do think he's doing the best he can to comply with
25 the Court order, and I do think we're materially in line

08:23 1 with the Court's order and making substantial progress.
2 And I thought up until last night that we were headed
3 towards full compliance with the Court's order.

4 The only issue that we really had was the cost
5 and expense of going forward. And as I know the big
6 picture, what the purpose is -- Because as I look at the
7 big picture as a businessman, these people need to part
8 ways. It's either these people buy the Baron side out or
9 the Baron side buys those people out. But in either case
10 one side or the other winds up with everything. So my
11 suggestion to the Court this morning -- And of course, we
12 defer to your good judgment -- is to at the right time
13 appoint us to a mediator or mediation, and maybe we can
14 expedite the process of one side or the other winding up
08:24 15 with the whole thing.

16 THE COURT: Well, I do believe your firm, Mr.
17 Friedman, has been very constructive in the way you have
18 handled this matter from the absolute outset, and I do
19 appreciate how your firm has come up to speed and how
20 diligent you have been. And I think it's good judgment
21 you have used in directing your client to try to work his
22 way out of this matter. One way or the other, these
23 parties do need to be separated and go on their way, and
24 certainly that's a worthy goal. I am concerned that we're
25 talking about what appears to be in the range of \$150,000

08:25 1 to \$175,000 to finish up with this imaging company. And
2 at some point, you know, we need to consider what the
3 overall expense of this project is going to be. Because
4 my goal also is that the parties are able to enjoy the
5 fruits of their labor and that we not spend the money
6 unproductively. So I'm concerned about that. There may
7 be no other way to do this, and I'm not making a comment,
8 and that's why Mr. Vogel is here because I do seek some
9 assistance from him. But I do think your firm from the
10 outset has taken a very constructive approach to your
11 counsel to Mr. Baron and his companies. I do know he's
12 under -- I'm sure -- a lot of stress. But the goal here
13 is to end this matter in a way that's fair to both sides
14 so that they can go on about their business. So I do want
08:27 15 the record to reflect that I have been impressed by your
16 firm's efforts in this matter.

17 MR. FRIEDMAN: Thank you.

18 THE COURT: I think that's all I have, Mr.
19 Friedman, for you and Mr. Lurich. Maybe we can hear from
20 Mr. Kline, and then I'd like Mr. Vogel to give me some
21 input as well.

22 Mr. Kline.

23 MR. KRAUSE: Jay Kline. I'm an attorney working
24 with Ondova. I'm sorry Mr. Friedman characterized my
25 participation in this case the way he did. My

08:27 1 participation has been helpful, and to my understanding we
2 were working well with counsel. Towards the beginning of
3 last week, I took a look at his financial situation, and
4 it was clear it wasn't going to be able to pay its debts.
5 So the company engaged bankruptcy counsel to examine the
6 situation and to give it advice, and I wasn't that
7 counsel. But my participation in this has been to aid the
8 company in whatever way possible. I stepped into this
9 case, your Honor, the day the imaging started, and I have
10 been working with Mr. Baron 16, 20 hours a day
11 approximately to comply with this Court's orders, and I
12 can tell you from my prospective, your Honor, we have
13 worked as hard as we can possibly do to comply. The
14 bankruptcy is not a subterfuge of this Court in any
08:28 15 manner. It's for the company to survive. At least from
16 my prospective, your Honor, the company needed this
17 rehabilitation. It's in Judge Jernigan's court here, and
18 we anticipate to comply with everything the Court orders.
19 And does your Honor have any questions of me?

20 THE COURT: Well, Mr. Baron -- perhaps because
21 of his lack of sophistication or his lack of understanding
22 of legal processes or the way lawyers work or whatever --
23 has gone through enormous numbers of lawyers at great
24 expense to himself and a lack of continuity to his
25 representation and I think to his detriment. So my goal

08:29 1 after this case was filed and people began appearing in my
2 Court -- In fact, Mr. Friedman and Mr. Lurich and Mr.
3 Krause were -- came into my court as the second lawyers in
4 my Court. And then I guess Ms. Aldous and Mr. Rasansky
5 came in, and they had been lawyers for Mr. Baron. And I
6 had understood from the proceedings that there had been
7 four or five other lawyers. It was like serial
8 representations where no lawyer could ever get into the
9 case in a sufficient way to figure out what was going on.
10 So my goal was to stop the musical chairs. I was very
11 impressed, as I said, by Mr. Krause, Mr. Lurich and
12 Mr. Friedman and their good judgment in representing Mr.
13 Baron, and I wanted them to be lead counsel, as they have
14 been designated, and continue as lead counsel so that we
08:30 15 can prevent this musical chairs and prevent what I
16 consider to be a great detriment to Mr. Baron. So I have
17 been unable to reach you. I think I left a message on
18 your cell phone, but my goal was that if you were going to
19 have any role to play with Mr. Baron that you coordinate
20 everything with Mr. Friedman, Mr. Lurich and Mr. Krause so
21 again that there could be a unity of representation and a
22 thoughtfulness of representation. I will tell you I am
23 disappointed apparently that this bankruptcy was filed
24 without notice or input from Mr. Friedman, Mr. Lurich, Mr.
25 Krause, who are here in this Court representing Ondova and

08:32 1 Mr. Baron. And so you know they wake up one night and
2 there is a bankruptcy pending and they don't know anything
3 about it. They don't know why it was done. No one
4 consulted with them. And my concern is that again rather
5 than trying to resolve issues that face Ondova and Mr.
6 Baron, this is going to delay the matter. I can't see
7 that it's going to create any added value to the case, and
8 if there were concerns about the financial liability of
9 Ondova, it seems to me that was a matter that Mr. Friedman
10 and Mr. Lurich and Mr. Krause could have worked on,
11 consulted with you and considered it and figured out the
12 best way to go. We're creating a second and third layer
13 of expense, costs, and as I said, I don't know what value
14 is going to be added to this. Mr. Baron's problem is he's
08:33 15 way over litigious with way too many lawyers. From all
16 appearances in my Court, he happened on three very good
17 lawyers in Mr. Krause, Mr. Lurich and Mr. Friedman whose
18 performance in this Court has been I think of the highest
19 order and whose performance has shown not only legal skill
20 but good judgment and good common sense, and now I'm
21 sitting here with a bankruptcy stay that's occurred
22 without any input at all.

23 MR. KLINE: Your Honor, I was informed that Mr.
24 Friedman was informed on Thursday of last week.

25 THE COURT: Informed? Did anybody sit down and

08:34 1 say this is where Ondova is? Let's have a meeting? Let's
2 talk about this and see if this is the best way to
3 proceed? You are telling me that occurred with Mr.
4 Friedman? This is what Ondova's situation is, this is the
5 best route to follow, and he gave his full blessing to
6 this? Is that what happened?

7 MR. KLINE: That's not what happened. I don't
8 believe that occurred.

9 THE COURT: Why wouldn't that have been a good
10 idea?

11 MR. KLINE: I guess I'm not prepared to answer
12 that question. I wanted to be here this morning to be
13 sure that somebody was here to answer. I was afraid I was
14 going to be attacked again, and I think if we had an
08:35 15 evidentiary hearing the doubt that's been cast on my role
16 and the compliance of Mr. Baron, we would hear
17 differently, and I was not at liberty to discuss with Mr.
18 Friedman what was occurring last week, your Honor. I'm
19 not sure what you would like me to say. I understand the
20 Court's concerns, and I have read the transcripts. I have
21 tried in every manner to comply with it. I'm not trying
22 to replace Mr. Friedman. It's not my intent to do
23 anything like that. I thought we had a good relationship.
24 The focus is easy to put on me here. That's what I'm
25 saying, and if the Court could allow us to present our

08:36 1 case at the proper time, I think you may have a different
2 viewpoint on this.

3 THE COURT: Well, I will certainly allow you to
4 do that. I'm just expressing my concerns to you. It's
5 also unclear to me why you were the person who was helping
6 Mr. Baron comply with the orders that had been issued from
7 this Court when I actually thought that was the job of Mr.
8 Krause, Mr. Lurich and Mr. Friedman, and I tried to make
9 it clear that everything in this Court should be handled
10 by these lawyers. So probably at the end we're going to
11 have to come down and figure out why all of this has
12 happened the way it has. I think if we can get the
13 bankruptcy matter clear and resolved, I am going to issue
14 an order that you and bankruptcy counsel appear before me,
08:37 15 and we make sure that everybody understands who's in
16 charge in this Court for Mr. Baron and for Ondova. I'm
17 certainly going to let you have your say on that, but I
18 want it to be real clear while we're here together today
19 that any compliance of any order that has been issued by
20 this Court for the defendants is going to be the sole
21 responsibility and of Mr. Friedman and Mr. Lurich. And I
22 don't want anyone else that would come into this Court and
23 ask to be involved through leave of Court. I don't want
24 anyone else doing anything to help the defendants meet the
25 requirements of the Court orders. So I want to be real

08:38 1 clear about that. I don't know what your role is.

2 MR. KLINE: May I address that, your Honor?

3 THE COURT: Yes, sir.

4 MR. KLINE: I was there physically with Mr.
5 Baron. They were in their office. I was helping him
6 work, collecting things. Tremendous amount of information
7 to cipher through, and that's what I was doing. I was
8 physically with Mr. Baron.

9 THE COURT: I would have thought -- And again,
10 I'm not clear where everything has happened here, but I
11 would have thought that working with Mr. Baron for
12 compliance, working with him to make sure he complied
13 would be the job of Mr. Krause or Mr. Lurich or Mr.
14 Friedman. And if there is some confusion about that
08:39 15 today, I don't want there to be any confusion about it
16 tomorrow. Anything that Mr. Baron or Ondova or anyone
17 else has to do in complying with the Court orders, I want
18 them to direct him, not you.

19 MR. KLINE: Yes, sir.

20 THE COURT: And that's a directive of the Court.
21 And I know you will follow that directive without any
22 question.

23 MR. KLINE: Yes, sir.

24 THE COURT: So anything to do with this case is
25 in the hands of these lawyers, and no one is to be

08:40 1 involved in anything to do with this Court unless I give
2 leave, and the only people I give leave to is Mr. Krause
3 and Mr. Lurich and Mr. Friedman. So you are clear about
4 that, right?

5 MR. KLINE: Yes, sir.

6 THE COURT: Now, it will be necessary that at
7 some point in these proceedings I am going to have to have
8 you and bankruptcy counsel here. Of course, I'm deferring
9 to the bankruptcy court, and I know I'm not in any way
10 going to do anything that interferes with the stay that's
11 entered in the bankruptcy court. I'm not going to do that
12 at all. But I do know that I'm sure Mr. MacPete for the
13 plaintiffs and Mr. Friedman, Lurich and Krause for the
14 defendants will be seeking guidance from the bankruptcy
08:41 15 court, and hopefully that will be received very shortly.

16 As I say, my concern is that Mr. Baron -- and I
17 don't know why -- continues to complicate his legal
18 problems by just layering lawyer upon lawyer upon lawyer
19 into his activities. And I'm not for sure what benefit
20 anybody is getting from that. I do agree -- I don't know
21 if I agree with Mr. Friedman's solution. But I do agree
22 with Mr. Friedman's ultimate view that Mr. Baron and his
23 companies and Netsphere and their operations need to be
24 separated in a fair and thoughtful way. And that's my
25 goal.

EXHIBIT 32

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, ET AL	(	Number 3: 09-CV-0988-F
	(
Plaintiffs,	(
	(
vs.	(
	(
JEFFREY BARON, ET AL.	(
	(
Defendants.	(	August 18, 2009

18:00

Status Conference
Before the Honorable Royal Furgeson

A P P E A R A N C E S:

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18:00 1

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Reported by: Cassidi L. Casey
1100 Commerce Street, Rm 15D6L
Dallas, Texas 75242
214-354-3139

CASSIDI L. CASEY, CSR, 214-354-3139
UNITED STATES DISTRICT COURT

15:19 1 entire bankruptcy case was the result of forum shopping
2 and litigation tactics by Mr. Ondova. The purpose of
3 bankruptcy is to afford the honest debtor a fresh start.
4 I don't think we have that. Here, we have Mr. Baron's
5 attempt to evade this Court's orders and find himself a
6 new forum in which he can pursue this lawsuit for all
7 intents and purposes and try to undue the settlement
8 agreement or whatever he intends to do in the bankruptcy
9 case.

10 THE COURT: As I look at Mr. Baron, I think he's
11 a desperate man. I think he's a nice man, but a desperate
12 man, and he keeps looking for the pot at the end of the
13 rainbow. I think this is a litigation tactic. There is
14 no one in this courtroom that can look at this and think
15:20 15 it's anything other than an effort to get out from under
16 my jurisdiction. That's what it is.

17 MS. HAYWARD: That's my point. And Judge
18 Jernigan recognized that in an hour and a half of the
19 motion to lift the stay and said so on the record.

20 So back to the withdrawal of reference and the
21 reference itself, there is two provisions under which this
22 Court could withdraw the reference to the extent it refers
23 it to the bankruptcy court, the mandatory one we discussed
24 that has trademark law being law that affects interstate
25 commerce, and permissively this court may withdraw the

EXHIBIT 33

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, ET AL (Number 3: 09-CV-0988-F
(
Plaintiffs, ()
(
vs. ()
(
JEFFREY BARON, ET AL. ()
(
Defendants. (September 10, 2009

Status Conference
Before the Honorable Royal Furgeson

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24

25

13:02 1 MR. LURICH: Your Honor.

2 MR. MACPETE: May I finish?

3 MR. LURICH: This is highly disputed evidence.
4 I have e-mails. What Mr. MacPete is going to say is he
5 was unaware of certain companies having an employee. I
6 have e-mails prior to the lawsuit where Mr. MacPete was
7 notified by --

8 THE COURT: Let me cut you have off. I think
9 we're going to hire criminal counsel for Mr. Baron. I
10 think Mr. Baron is very close to sustaining criminal
11 liability. He's in a bankruptcy court under the most
12 unusual of circumstances that could create liability. He
13 has obligations to not obstruct justice in this Court.
14 And so I will tell you, Mr. Lurich, I want you to go get
13:03 15 him a criminal lawyer. He needs criminal counsel, and
16 that needs to be done, and it will be paid out of your
17 trust funds. But I want Mr. Baron to receive counsel from
18 a reputable criminal lawyer. I'm understanding that you
19 have the ability to do that. Before you do that, I want
20 you to coordinate with the special master, just to let him
21 know who it is. I want him informed. I have thought
22 about this for some time now, and I think Mr. Baron really
23 cannot go forward any longer without criminal
24 representation, and so you need to get him a good criminal
25 defense lawyer.

EXHIBIT 34

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In Re:) **Case No. 09-34784-sgj-11**
)
ONDOVA LIMITED COMPANY,)
) **Dallas, Texas**
Debtor.) **Wednesday, August 5, 2009**
) **2:00 p.m. Calendar**
)
) **EMERGENCY MOTION FOR RELIEF**
) **FROM STAY [Docket #21]**
)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

APPEARANCES:

For the Debtor: Edwin Paul Keiffer
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Inc. and Netsphere, Inc.: FRANKLIN SKIERSKI LOVALL HAYWARD
LLP
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For Manila Industries, John MacPete
Inc. and Netsphere, Inc.: LOCKE LORD BISSELL & LIDDELL LLP
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Dallas, TX 75201
(214) 740-8662

Court Recorder: Dawn E. Harden
UNITED STATES BANKRUPTCY COURT
1100 Commerce Street, 12th Floor
Dallas, TX 75242
(214) 753-2046

1 Court finds cause under Section 362 of the Bankruptcy Code
2 and rules this way for several reasons.

3 First, while this Court has exclusive jurisdiction over
4 property of the bankruptcy estate, the property of the estate
5 allegedly implicated here is certainly remote. The record
6 and positions of the parties indicate that the Debtor had no
7 ownership of domain names, ever, but only some right while it
8 had them registered to some future income stream, but that
9 property right has been limited or diminished prepetition.
10 The domain names had been deleted, and then it was agreed to
11 by the Debtor and ordered by the federal District Court that
12 the names would be restored and transferred.

13 As far as this Court is concerned, what was left to be
14 accomplished with regard to restoration and transfer of the
15 domain names was ministerial. To hold that the Debtor had a
16 meaningful property right at this point because it had some
17 right of redemption, allegedly, before it agreed to the
18 injunction is disingenuous to the Court. The point is the
19 Debtor agreed to the injunction, and the injunction was
20 issued.

21 Moreover, it appears to this Court to be an affront to
22 what has already transpired after many weeks or months before
23 the District Court, of much wrangling, analysis and
24 litigation. If the Debtor wants out of the preliminary
25 injunction, it can ask Judge Furgeson to set it aside, or

1 appeal Judge Furgeson to the Fifth Circuit.

2 In fact, the Court is lifting the stay for all of these
3 purposes in that litigation. The Debtor is free to do that.
4 But this Court will not allow, essentially, a re-do in this
5 Court or attempt to preempt Judge Furgeson. The Court
6 believes, with all due respect to the Debtor's fine
7 bankruptcy counsel here, that there was some forum-shopping
8 going on, and this was mostly a litigation tactic.

9 This Debtor can certainly attempt to reorganize in this
10 Court. The Bankruptcy Courts are here for the honest but
11 unfortunate debtor who is wanting to get a respite from
12 creditors, streamline litigation, have an orderly claims
13 allowance process, preserve value for creditors, preserve
14 jobs, preserve contributing corporate citizens. But be that
15 as it may, the Court would view it to be a preemption of
16 Judge Furgeson's hard work and role in this already to
17 essentially transfer litigation disputes with Netsphere to
18 this Court at this juncture.

19 So, the Court does not believe it would be in the
20 interests of justice or judicial economy or anything else
21 worthwhile to step in the middle of all this.

22 The Court notes that Judge Furgeson has had a special
23 master to help him understand the technical issues. Again,
24 the testimony or record is that there were almost-weekly
25 hearings for several weeks.

EXHIBIT 35

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) BK. NO: 09-34784-SGJ-11
)
ONDOVA LIMITED COMPANY)
D E B T O R)

* * * * *

TRANSCRIPT OF PROCEEDINGS

* * * * *

(Redacted Transcript)

BE IT REMEMBERED, that on the 1st day of September,
2009, before the HONORABLE STACEY G. JERNIGAN, United States
Bankruptcy Judge at Dallas, Texas, the above styled and
numbered cause came on for hearing, and the following
constitutes the transcript of such proceedings as hereinafter
set forth:

1 If I may approach the Court with that filing in the
2 U.S. District Court?

3 THE COURT: You may.

4 MR. MacPETE: May I have a copy of that?

5 Thank you very much.

6 MR. KEIFFER: In particular, Your Honor, in
7 this first paragraph it states, Unbeknownst to Friedman &
8 Feiger, L.P., Jay, our client, hired E.P. Keiffer with a law
9 firm who put Ondova into bankruptcy.

10 The voluntary petition contains Mr. Baron's signature,
11 as does his engagement letter with the firm. Now, I don't
12 know what's happening here. I'm not sure. I don't know what
13 more I can say, other than refute that specific point. We
14 were hired. Mr. Baron signed the voluntary petition and he
15 signed the engagement, Mr. Klein did not. Mr. Klein is not a
16 representative of the debtor. I wouldn't start a case based
17 upon somebody else's statement that I'm hired.

18 So I'm -- if the Court requires me to go forward, I will
19 go forward and press the case. I'm ready on the case. But I
20 would prefer the debtor have his choice. The debtor gets
21 what he asks for.

22 THE COURT: Well, let me just say at the
23 outset, I am not going to tolerate a game of musical lawyers
24 in this case. I have heard at prior hearings what has
25 happened in the district court, a little bit of what's

1 happened in the district court. Part of what I heard was
2 that Mr. Baron and/or Ondova changed counsel, what, seven or
3 eight times?

4 MR. KEIFFER: I don't know that it was
5 particularly in the district court, but matters leading up to
6 and were ultimately involved in the same point, there had
7 been. I think there was only one change, maybe two at the
8 district court level. The 68th Judicial District there had
9 been many others that had been changed, but not at the U.S.
10 District Court. But the history in the dispute --

11 THE COURT: Mr. MacPete, how many lawyers has
12 Ondova had in the litigation upstairs?

13 MR. MacPETE: There are eight total, if you
14 include Mr. Keiffer, seven if you do not include Mr. Keiffer.

15 MR. KEIFFER: But those weren't all at the
16 U.S. District Court level.

17 MR. MacPETE: No. There were two at the U.S.
18 District Court level and five at the -- five or six at the
19 state court level.

20 MR. KEIFFER: That's what I was saying.

21 MR. MacPETE: The state court case and the
22 district court case overlapped. So there's a total -- if
23 Mr. Pronske were approved, there would now be a total of nine
24 counsel on behalf of Ondova. And, frankly, Your Honor, this
25 is the third Court in which this tactic has been employed. I

1 can't put my hands on the transcript right now, but Judge
2 Hoffman in the 68th State District Court has said some very
3 harsh things from the bench about Mr. Baron's proclivity to
4 change counsel on the eve of a hearing in order to get a
5 continuance. And that he's not tolerating it in his court.

6 THE COURT: Well, I'm surely not going to
7 tolerate it where I have a debtor in possession. You know,
8 it shouldn't be tolerated by any litigant as a tactic or
9 strategy. But when you are in this Court as a Chapter 11
10 debtor, you have fiduciary duties and suddenly it becomes a
11 more serious issue.

12 MR. KEIFFER: Your Honor, as you could
13 understand, I received this letter this morning. And in many
14 respects to disobey the request of the letter would be, in a
15 sense, a breach of attorney/client obligations. I realize as
16 counsel for the debtor that I'm something more. That's why I
17 wrote it in the manner that I wrote it so that the Court
18 would understand what was happening. I am obliging my client
19 the request. There is -- I have my own personal views on
20 this which I don't now if it would necessarily matter at this
21 juncture.

22 I have views that are bound by attorney/client
23 privilege that unless and until or if circumstances warrant
24 that the Court says, You are free from that, or other
25 circumstances warrant, I will discuss those. But right now I

1 am at, in a sense, the mercy of the direction of the client.
2 I can basically -- didn't even have time to file a motion to
3 withdraw indicating functionally my concerns with this. All
4 I did was comply with the request of the party.

5 To the extent that a motion to withdraw would make it
6 more clear as to somewhat the nature of the conflict and the
7 issues that this Court may draw whatever inferences it wants
8 to from it. I will follow it. But I'm not here to -- I'm
9 ready to proceed and defeat -- not defeat, but to show that
10 the other parties can't meet their burden under 363(p)(2)
11 today. If the Court wishes us to proceed, then I will
12 proceed. I understand my duties as counsel for the debtor.

13 THE COURT: Okay. Well, your motion mentioned
14 Pronske & Patel.

15 MR. KEIFFER: Yes, Your Honor, that is
16 correct.

17 THE COURT: And I happen to see Mr. Pronske
18 sitting out there. Mr. Pronske, can you speak to what is
19 going on here?

20 MR. PRONSKE: Good morning, Your Honor.

21 THE COURT: Good morning.

22 MR. PRONSKE: I'm Gerrit Pronske and have been
23 proposed as counsel for the debtor.

24 Your Honor, I was contacted by voicemail for the first
25 time on Saturday. I was not able to speak to anybody until

1 late Sunday evening, very little, and some yesterday. So I'm
2 very new to the situation. We were -- our firm was
3 interviewed, I guess you would say, or we discussed the
4 filing of the case prior to I think Mr. Keiffer being
5 involved and had maybe a couple of meetings. But I don't
6 really know much about the case.

7 My understanding is that there are significant
8 differences between counsel and the client that would require
9 seeking a termination of the counsel and we've been asked to
10 take over. What we have proposed is an arrangement and we're
11 not -- we intend to file an application, if the Court allows
12 us to do so, we intend to file an application to be employed.
13 We have to make determinations of various things such as
14 conflicts and we've done our own conflict's check and we
15 don't have a conflict, but to make sure that there's no
16 issues or problems with sources of retainers and things that
17 would obviously require disclosure to this Court and approval
18 of this Court.

19 But subject to those things and subject to actually
20 getting involved in the case and meeting with the client and
21 understanding what's going on, we're prepared to move
22 forward. The -- it is my understanding that the client is
23 requesting the continuance is because they don't want this to
24 go forward with -- at an important juncture in the case, the
25 use of cash collateral, with Mr. Keiffer moving forward this

1 morning. For whatever reason that conflict between the
2 client and Mr. Keiffer has risen. It is, as the Court knows,
3 the debtor's motion for -- to use cash collateral. And I
4 understand it's a great inconvenience to this Court, which
5 has set aside a substantial amount of time today for that
6 hearing. But the request is that there be a continuance and
7 we be able to get up to speed. And I don't think it would
8 take us too long. I think probably three or four days is all
9 we would need to get up to speed enough, at least initially,
10 to go forward with an application to employ and before moving
11 forward with the cash collateral.

12 I, too, am aware of issues relating to changing of
13 counsel before and I have inquired about that. That's always
14 a red flag, as the Court knows when counsel have been
15 changed. I have -- I can't tell you that I've done all of
16 the due diligence that I need to do, but I can tell you that there
17 are two sides to the story. And although the number of
18 counsel that have been involved in the case is unusual, there
19 appear to be some facts that warranted those changes of
20 counsel.

21 I can't tell you I know, you know, definitively what
22 happened from -- but I can tell you that there are two sides
23 to that story. And we've convinced ourselves enough to move
24 forward with the application to employ.

25 I'm not sure I'm in a position to ask for a continuance

1 since I'm not involved in the cas yet. but I think that the
2 request, if we were to get involved in the case, the request
3 would be appropriate and we could be up to speed very
4 quickly.

5 MR. KEIFFER: Your Honor, could I make one
6 continued response?

7 The indication of conflicts with Mr. Baron is new.
8 We've basically not filed anything without Mr. Baron's
9 approval. We've had some disagreement as to tactics and to
10 how things should or shouldn't be done and in what regard
11 they haven't been done. But this was the first by the letter
12 that was delivered from -- well, counsel at the district
13 court level delivered the letter to us electronically this
14 morning. That was the first time that I've heard of a
15 conflict between myself and the representative of the debtor.
16 But there's a conflict with regard to how or what should be
17 done in the case. There have been, again, some difficult or
18 some harsh words there in the middle of the representation,
19 but ultimately nothing is done unless the client specifically
20 agreed to it.

21 If the client had required me to do something that I
22 felt was inappropriate, I would have withdrawn. So the
23 statement that there's a conflict here is I think a bit
24 disingenuous. I think I know the source of the conflict and
25 I don't know that it's Mr. Baron, but there is a source of

1 conflict there.

2 And I don't know what -- I don't envy your position
3 here, Your Honor. I'm ready to go. Whatever you tell me I
4 need to do.

5 THE COURT: Mr. MacPete.

6 MR. MacPETE: Thank you, Your Honor.

7 I think the one piece of this picture maybe that you're
8 missing is on Saturday -- the reason I had the call with
9 Mr. Keiffer yesterday in which I told him that there was
10 discussion about firing him was a courtesy to counsel. It
11 wasn't a tactic. And I knew about that because I received a
12 call at about 9:30 in the morning on Saturday morning from
13 Mr. Friedman, who is the counsel in the district court
14 litigation, who indicated that he was going to be meeting
15 with Mr. Baron and he was going to be attempting to convince
16 Mr. Baron to fire Mr. Keiffer. And then he asked me what I
17 wanted in order to agree to a continuance of this hearing.

18 I told him at that time I didn't think that I could
19 agree to continue this hearing because it was my
20 understanding that the Court wanted to have this hearing and
21 wanted to hear the testimony of the debtor. I also indicated
22 that even to the extent he and I could reach an agreement
23 that there was another objector, Mr. Rasansky and wasn't sure
24 that he could get agreement from Mr. Rasansky. And, of
25 course, all of that assumed that the Court would even go

1 along with that. That was the extent of my discussion with
2 Mr. Friedman on Saturday. Then again last night I received a
3 call from Mr. Friedman's office and I talked to a lawyer from
4 his office again about please tell us what you would like in
5 order to avoid this hearing tomorrow because we don't want
6 our client to testify.

7 So what this is about is absolutely for delay. It is
8 because their client does not want to testify under oath.
9 And he has continually dodged the ability to get his
10 deposition or other testimony under oath in the life of this
11 case. And that's what this is about. It's not about that
12 there's a Keiffer, a dispute with Mr. Keiffer. It's not
13 about whether Mr. Pronske is an excellent bankruptcy
14 attorney. This is about we don't want Jeff Baron on the
15 stand being cross-examined by Mr. MacPete. That's what this
16 is about. And it is clearly a delay tactic and we would urge
17 the Court not to fall for it.

18 And in addition, I would let you know, Your Honor, that
19 my clients are located in California and I have flown a
20 possible rebuttal witness out here at thousands of dollars of
21 expense based on this hearing being set for today. And now
22 if this gets continued, essentially that's money wasted. And
23 it's money that's continually wasted because we've had all
24 kinds of situations in the district court with discovery
25 before the preliminary injunction where Mr. Baron's

1 deposition was scheduled and then he wouldn't sit for his
2 deposition. My clients flew out for that. They flew out to
3 give their own depositions. All of that was, again,
4 continued by changes in counsel and other attempts at
5 reaching agreements. So this is a constant theme in this
6 case and costs my clients a lot of money and it's not fair.
7 So we would just ask the Court to hold the hearing today.
8 Mr. Keiffer has indicated he's prepared to go forward. And
9 Mr. Baron should give his testimony under oath.

10 Thank you, Your Honor.

11 THE COURT: Here's what we're going to do.
12 It's 5 until 10. The Court is going to take a 5 minute
13 break. And during that 5 minutes I hope that Mr. Baron will
14 talk to his and Ondova's various counsel about the two
15 choices I am laying out there right now. The two choices
16 are, that we either go forward in five minutes with this
17 continued cash collateral hearing, or the Court is going to
18 exercise its sua sponte power under Section 105 of the
19 Bankruptcy Code which the lawyers in the room can explain to
20 Mr. Baron, and who is it, Mr. Nelson, is he the -- the Court
21 will exercise its sua sponte powers to appoint a Chapter 11
22 Trustee for cause. And I will issue the specific findings
23 that I think constitute cause when we come back out here.
24 And that will mean that a Chapter 11 Trustee will be
25 essentially the executive in charge of Ondova, will get its

1 cash, and will handle the Ondova bankruptcy and company
2 strategy going forward in this Chapter 11 case. So we have
3 at least two good bankruptcy lawyers on this side of the
4 room. I don't know if there are other lawyers in the room.
5 But between Mr. Keiffer and Mr. Pronske and anyone else here
6 that might be here on Mr. Baron or Ondova's behalf, they can
7 explain the choice I have set forth here. Again, we either
8 go forward in five minutes, or I'm going to sua sponte
9 appoint a Chapter 11 Trustee.

10 All right. We'll take a five minute break.

11 (Brief recess ensued.)

12 THE COURT: All right. Please be seated.

13 We are going back on the record in Ondova Limited, case
14 number 09-34784.

15 Mr. Keiffer, it would appear as though you all are
16 ready to go forward with the cash collateral motion?

17 MR. KEIFFER: Yes, Your Honor, it appears as
18 such.

19 THE COURT: All right. Mr. Baron, we're going
20 to go ahead and re-swear you in. So if you could stand up,
21 raise your right hand, and face the court reporter.

22 (The witness was sworn by the courtroom deputy.)

23 MS. HAYWARD: Your Honor, I'm sorry. Before
24 we proceed, there are a lot of people in this courtroom. And
25 I believe at some point we're going to be discussing the

1 business is so therefore we can assess the reasonable
2 business needs for the cash, and then hear a little bit about
3 do other people have a potential interest that might be found
4 valid in an adversary proceeding later on down the road so
5 that, therefore, they get some adequate protection if I let
6 you use the cash. Okay?

7 So is everyone clear? Is everyone clear? And just to
8 make the lawyers clear, I will not be whipsawed. Judge
9 Ferguson will not be whipsawed. I think he made it clear
10 with his order the way he envisions this going forward. And
11 Mr. Lurich, I'm going to give you the benefit of the doubt
12 that your conversation with Mr. MacPete was not aimed at
13 something more sinister than what can we offer you as far as
14 adequate protection in exchange for using the cash. But I'm
15 a little bit worried. Okay? So you all need to work hard to
16 get me unworried about things like that I hear in the future.
17 And I'm going to give you the benefit of the doubt on your
18 motion you filed before Judge Ferguson this morning that you
19 weren't, once, again, whipsawing us. And it was concern
20 about his prior statements and his prior order, you felt like
21 you needed to kind of go through the traps with him, as well
22 as filing the 327 application before me. But I still remain
23 confused, because I think his order of August 28th is pretty
24 clear about how he envisions this all playing. He keeps the
25 action and, you know, unless things develop at that status

1 Q. And if I want to get to judgejernigan.com, that is
2 a name which is registered at Ondova, and the way I'm going
3 to get there is through the name server information which
4 Ondova provides, correct?

5 A. That is, I think, a simplistic way of saying a
6 bunch of more things that actually happened. There's, I
7 think, a lot more than happens than what you're saying.

8 Q. And, in effect, since Ondova is the one who has the
9 computers and the information to change the name server
10 information, Ondova can control where a query for
11 judgejernigan.com goes; isn't that right?

12 A. It has participation in that, but it wouldn't be --
13 you've stated it as an absolute. It would have an influence
14 on it, but I don't quite agree with the way you said it.

15 Q. Well, I'm not talking about authority now. I'm
16 talking about the physical ability. The physical ability to
17 direct where judgejernigan.com is going to land when somebody
18 queries it on the internet. Is it strictly within the
19 control of Ondova based on the information that you provide
20 in your Who Is and to Verisign; isn't that right?

21 A. I think you've added some things in there that make
22 what you said not right.

23 THE COURT: Mr. Baron, we are not going to be
24 here -- well, we're probably going to be here all day. But
25 we're not going to be here beyond today. We're going to

1 finish today one way or another. And in order to finish,
2 you're going to have to give more direct and complete
3 answers. Okay? I know this stuff is complicated, but I
4 think you can do a much better job explaining it than you
5 are. Okay?

6 Remember my little speech about transparency and
7 fishbowl and open in bankruptcy?

8 THE WITNESS: Yes, I do.

9 THE COURT: You're going to have to help us
10 with that. Okay?

11 THE WITNESS: Okay.

12 THE COURT: You're the guy in charge of the
13 debtor. And if we can't get a picture of how your business
14 works, we're going to have to put someone else in charge.
15 That's the idea of the Chapter 11 Trustee this morning. You
16 know, I just -- I will have no choice if I don't have someone
17 speaking for the debtor that I can understand and parties in
18 interest can understand. Okay?

19 THE WITNESS: Sure. Yes, Your Honor. I'd
20 just like to say that I have some programming background, but
21 I don't do the programming. And a lot of these things are
22 extremely technical that do have to deal with issues that I
23 may in general know, but I'm not someone on a day-to-day
24 basis does all of the engineering. So I -- some of the
25 things that he's asking is a lot more technical than I can

1 get it.

2 THE COURT: That doesn't mean you're going to
3 get it. Just so your client understands, I have 5,000
4 bankruptcy cases and I can't afford to spend this much time
5 on all of them. So there are other people -- there have been
6 emergency requests going on like crazy back there today that
7 I'm going to spend the next few hours looking at. Okay.

8 MR. KEIFFER: I understand.

9 THE COURT: That's why I can't guarantee you
10 I'm going to say, yes.

11 MR. KEIFFER: Understood, Your Honor.

12 THE COURT: Any way --

13 MR. KEIFFER: I had to discharge my
14 obligation.

15 THE COURT: All right. Thank you.

16 Now for the other housekeeping matters. So we have the
17 hearing on the 11th at 9:30 to finish this once and for all.
18 I'm expecting an agreed order to allow emergency cash
19 expenditures between now and the 11th. Other than that, the
20 debtor has no permission to use its cash.

21 But here is what I'm also going to do. I am going to
22 issue an show cause order in this case as to why a Chapter 11
23 Trustee should not be appointed and we're going to set that
24 for hearing, also on September 11th at 9:30. And here is why
25 I feel the need to do that.

1 I've given a couple of lectures already in hearings in
2 this case about how Chapter 11 is supposed to work, but I
3 guess I feel the need to do it one more time. The goal of
4 Chapter 11 is -- I think the way I typically phrase it is to
5 give the honest but unfortunate debtor a respite from his
6 creditor collection problems and other problems causing
7 financial distress and use that respite to come up with a
8 strategy to either reorganize, and that would be in the case
9 of a viable worthwhile business, or if we don't have a viable
10 worthwhile business, give the debtor a respite, again, the
11 honest but unfortunate debtor with creditor problems and
12 financial distress problems a chance to have a soft landing
13 of his business and do an orderly liquidation.

14 So, again, Chapter 11, it might be about reorganizing a
15 viable business, or it might be about getting a debtor a
16 chance to have a, what we call soft landing, an orderly
17 liquidation, whichever is going to make sense.

18 Whichever of those strategies ends up making sense,
19 reorganization or liquidation, the paramount goal is to
20 preserve value for creditors and ultimately equity holders if
21 you get all of your creditors paid off in full. And -- so
22 that is what Chapter 11 is about.

23 I have concerns, as I've said before, is that what the
24 end goal of this Chapter 11 is really about, preserving a
25 viable business, or giving a soft landing to a business in

1 liquidation, to preserve value for creditors, or is this
2 really about just yet another forum to re-litigate issues
3 with Netsphere? And I also have concern are we focused on
4 preserving the entity, Ondova, and value in that entity, or
5 protecting Jeff Baron?

6 So that's one thing I'm very concerned about and why I
7 feel the need to do a show cause order to consider whether we
8 need to have a Chapter 11 Trustee. I need to perhaps have an
9 independent third party tell me, do we have a viable business
10 here, or do we have a company that we need to orderly wind
11 down and the Chapter 11 forum is what really makes sense.

12 The other reason I'm thinking about a Chapter 11
13 Trustee is we do sort of have the classic situation, as I
14 know Mr. Keiffer will tell his client, where we sometimes
15 appoint a Trustee. And what I mean is we have, for lack of a
16 better term, quite a mess to sort through. We have
17 pre-petition transactions that perhaps an independent
18 fiduciary needs to look at. Perhaps there are assets in
19 other entities that have been wrongfully conveyed out of
20 Ondova. I don't know.

21 But then we also -- besides having that classic
22 situation that we like to have an independent fiduciary look
23 into and examine, we have an officer here, Mr. Baron, a
24 principal here who I'm concerned just doesn't appreciate the
25 role he is supposed to play as a principal of a Chapter 11

1 debtor. Again, I've lectured about this a lot and I suspect
2 Mr. Keiffer has too. But, again, the fishbowl analogy, the
3 open kimono analogy, life is different. Chapter 11 is
4 serious business. It's being forthcoming. And we don't play
5 hide the ball. And Mr. Baron has a tendency to give answers
6 on the witness stand while under oath that seem a little
7 cagey and less than forthcoming. And I understand he has
8 medical issues. And I understand he's not a lawyer and
9 doesn't communicate exactly the way some of us in the room
10 do. He's a technical type. But we can't spend hours and
11 hours and hours in every Chapter 11 hearing in this case.

12 And part of the reason this is going on so long is
13 because of the way Mr. Baron answers questions. It's not
14 what we are used to in this Court. We are used to officers
15 who come clean. This is the first day of the rest of their
16 life. Things have gotten very messed up before the
17 bankruptcy filing either because of financial crisis or
18 litigation or other business disruptions. But, guess what,
19 now we come clean. We get to business. And we're just not
20 getting to business in this court the way we need to in a
21 Chapter 11 case.

22 I'm also worried about his medical condition he's
23 talked about. Maybe that's hampering him from playing the
24 role he needs to play as the principal of a Chapter 11
25 debtor. If it is, again, maybe we need a Chapter 11 Trustee.

1 Last but not least, the attorney/client privilege
2 issue. Remember, Mr. MacPete, I said I was going to come
3 back to this. That's another classic issue that arises
4 sometimes in Chapter 11 that ultimately begs for a Trustee.
5 A Trustee can decide to waive that the attorney/client
6 privilege. And we trust him as an independent fiduciary to
7 make those judgment calls. You know, it's about the
8 creditors now. I ain't hiding anything. I'll just waive the
9 privilege. And when we have a Chapter 11 officer who wants
10 to assert the attorney/client privilege or does not want to
11 free up his lawyers from speaking candidly, it just invites
12 the prospect of a Trustee who will frankly waive it in a
13 heartbeat to protect the interest of the economic
14 stakeholders.

15 So the Court is going to issue a show cause order on
16 whether a Chapter 11 Trustee should be appointed. Just so
17 Mr. Baron understands, if that happens, it will be the new he
18 or she, the new Chapter 11 Trustee would be the new officer
19 in charge of Ondova. Would get control of whatever assets
20 Ondova has an interest in. Would get the cash. Would get
21 the contracts. Would get control of the litigation. And I'm
22 telling you, that seems like it might be the right solution
23 here. But, again, I'm going to give you some due process.

24 I think I have the authority under the second sentence
25 of Section 105 of the Bankruptcy Code to do it sua sponte

EXHIBIT 36

ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

Henry H. C. Gammie
United States Bankruptcy Judge

Signed September 2, 2009

THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: §
§
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ-11,
§
Debtor. §

ORDER FOR DEBTOR TO APPEAR
AND SHOW CAUSE WHY: (A) A CHAPTER 11 TRUSTEE SHOULD NOT BE
APPOINTED, OR ALTERNATIVELY, (B) THE CASE SHOULD NOT BE CONVERTED
TO A CASE UNDER CHAPTER 7 AND A CHAPTER 7 TRUSTEE APPOINTED

On August 26, 2009, and again on September 1, 2009, this court held hearings on the Debtor's Emergency Motion Asserting: (i) No Perfected Lien on Debtor's Cash or Accounts; and (ii) Ability to Utilize Such Property of the Estate [DE # 10] (hereinafter, the "Section 363 Cash Usage Motion"). It soon became apparent to the court that Ondova Limited Company ("Ondova" or the "Debtor") was seeking (through a motion, rather

than through an *adversary proceeding*) a ruling that: (a) the cash held by the Debtor in a debtor-in-possession bank account (over \$461,000), (b) any cash that the Debtor might receive henceforth during the case (from revenue from the registration and/or renewal of domain names, and/or from monetization companies, and/or from other sources), and (c) possibly other cash that may have been transferred prepetition by the Debtor to certain of its attorneys was all "property of the bankruptcy estate" (11 U.S.C. § 541), unencumbered by any lien, claim or interests of third parties. Noting the procedural problem with this (*i.e.*, the court's inability to make a declaratory judgment without an adversary proceeding, where all parties-in-interest have been named as defendants and served with a complaint, summons, and given a chance to answer, take discovery and have an evidentiary trial on reasonable notice; see Bankr. Rule 7001)—and at the same time recognizing that the Debtor may have a genuine and urgent need to use cash—the court indicated that it would treat the Section 363 Cash Usage Motion as, essentially, a "typical cash collateral motion," pursuant to which the Debtor could put on evidence of such relevant things as: (a) what cash the Debtor had on hand now and expected to receive in the near-term; (b) how such cash was and would be derived; (c) what the

Debtor's budgeted expenses and other cash needs were expected to be during the next few weeks of the Chapter 11 case; (d) the reasonableness and necessity of the Debtor's budgeted expenses (which would entail evidence regarding what the Debtor was doing; what the Debtor's business model was at this juncture; how many employees and how much overhead the Debtor has); and (e) what the Debtor would offer as "adequate protection" (11 U.S.C. §§ 361 & 363) to parties who might have an interest in the cash. The court would also let objecting parties who claim an interest in the Debtor's cash (NetSphere, Inc. and lawyers Mr. Rasansky and Ms. Aldous) put on evidence concerning their alleged interests in the cash that might be entitled to "adequate protection." See 11 U.S.C. § 363(p).

During the hearings on the Section 363 Cash Usage Motion, which still have not concluded (the court setting the next hearing on the Section 363 Cash Usage Motion for September 11, 2009 at 9:30 a.m.), the court became concerned about whether it is appropriate to allow Ondova to remain on as a debtor-in-possession in this bankruptcy case. Among the things driving this concern are the following. First, the hearing on September 1, 2009 began with an attempt by the Debtor to terminate its bankruptcy counsel and seek a continuance of the hearing on the

Section 363 Cash Usage Motion (in light of a desire to retain new bankruptcy counsel). The court noted that it was especially troubled with this development—given that the Debtor has a long prepetition history of playing “musical lawyers” in litigation with NetSphere, Inc. Second, the court has been troubled at both the August 26, 2009 and September 1, 2009 hearings, with: (a) an apparent lack of forthcomingness on the part of the Debtor’s principal, Mr. Barron; (b) an inability on Mr. Barron’s part to concisely answer straightforward questions about the Debtor’s business; and (c) the assertion of the attorney-client privilege by the Debtor in situations where such an assertion may not be consistent with the fiduciary duties of a debtor-in-possession (*i.e.*, in situations where, surely, a Bankruptcy Trustee would see fit to waive the privilege in the interests of creditors and in the interests of the efficient administration of the bankruptcy estate). The court also perceives that the goal of Ondova in this Chapter 11 case (while under the direction of Mr. Barron and the current management team) may not be centered around reorganizing a viable company (or providing a soft landing to a financially-stressed company), for the benefit of creditors and other parties-in-interest, but more geared toward protecting the personal interests of Mr. Barron and his affiliates, and/or

attempting to relitigate issues already decided or settled in other fora. Finally, the court is concerned about complex, prepetition transactions among various companies in which Mr. Barron has some interest or control, which transactions may affect the Debtor (and the value available/reachable for creditors), that need investigating by an independent fiduciary.

The court, therefore, has decided to issue this show cause order, pursuant to 11 U.S.C. § 105, setting a hearing to hear evidence and argument on whether Ondova should continue on as a debtor-in-possession. Accordingly, based upon the foregoing, it is hereby

ORDERED that **Ondova and Jeff Barron (and their counsel)** shall appear before this court on **Friday, September 11, 2009, at 9:30 a.m., for a hearing, and show cause at such hearing why a Chapter 11 Trustee should not be appointed in Ondova's case or, alternatively, the case should not be converted to a case under Chapter 7 and a Chapter 7 Trustee appointed.** Other parties-in-interest may attend and present evidence and argument.

###END OF ORDER###

EXHIBIT 37

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) BK. NO: 09-34784-SGJ-11
)
ONDOVA LIMITED COMPANY)
D E B T O R)

* * * * *

TRANSCRIPT OF PROCEEDINGS

* * * * *

BE IT REMEMBERED, that on the 11th day of
September, 2009, before the HONORABLE STACEY G. JERNIGAN,
United States Bankruptcy Judge at Dallas, Texas, the above
styled and numbered cause came on for hearing, and the
following constitutes the transcript of such proceedings as
hereinafter set forth:

1 appoint a specific Chapter 11 Trustee over this case. That
2 Chapter 11 Trustee can decide if conversion to Chapter 7
3 makes sense and maybe he will if, in fact, there is not much
4 of an operating company at this juncture. But the Court
5 believes that for now we should keep it in Chapter 11, to the
6 extent a Trustee would need authority to take certain actions
7 to maintain business operations and contracts for now to
8 preserve value in the entity.

9 The Court believes there is cause under Section 1104,
10 the applicable statute, for appointment of a Chapter 11
11 Trustee; including the mismanagement of the affairs of this
12 estate by the debtor in possession while under the direction
13 of Mr. Baron. And, also, cause being the lack of candor and
14 cooperation of Mr. Baron as a representative of the debtor in
15 possession.

16 The Court also finds that a Chapter 11 Trustee is in
17 the best interest of all creditors and parties in interest as
18 it brings to one central forum, under one captain, the
19 Chapter 11 Trustee, all issues as to what is property of the
20 estate, what are claims against the estate, and what causes
21 of action or possible avoidance actions might be pursued to
22 benefit people with claims against Ondova. As Mr. Keiffer
23 has alluded to, the Bankruptcy Code gives very powerful tools
24 to a Chapter 11 Trustee or a Chapter 7 Trustee, for that
25 matter, to herd into the estate any assets that rightfully

EXHIBIT 38

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) Case No. 09-34784-sgj11
) Chapter 11
)
ONDOVA LIMITED COMPANY,)
) Courtroom 1
) 1100 Commerce Street
Debtor.) Dallas, Texas 75242-1496
)
) April 7, 2010
) 10:00 A.M.

TRANSCRIPT OF APPLICATION TO EMPLOY
LAIN FAULKNER & CO., P.C. (DOCKET 245).
MOTION FOR 2004 EXAMINATIONS (DOCKETS 272, 273, 274, 275).
BEFORE HONORABLE JUDGE STACEY G. C. JERNIGAN
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For Daniel J. Sherman, Munsch, Hardt Kopf & Harr PC
Chapter 11 Trustee: By: RAYMOND J. URBANIK, ESQ.
500 North Akard Street, Suite 3800
Dallas, TX 75201-6659

For Netsphere: Franklin Skierski Lovall Hayward, LLP
By: MELISSA HAYWARD, ESQ.
10501 N. Central Express, Suite 106
Dallas, Texas 75231

Locke Lord Bissell Liddell
By: JOHN MacPETE, ESQ.
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201

ECRO: Jennifer A. Womack

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produced by transcription service..

1 to go forward. And then maybe we can pick up settlement some
2 other time when he's more serious about actually reaching an
3 agreement.

4 THE COURT: All right. Here's how the Court is going
5 to rule. The Court is going to grant all of these motions to
6 take 2004 examinations. But the Court is going to order that
7 the examinations not occur before April 30th, and shall occur
8 no later than May 15th.

9 First, under Rule 2004, I think these examinations
10 are warranted. There's good cause. This clearly relates to
11 the administration of the estate, and potentially money or
12 property that could be acquired by the debtor in the case, or
13 for formulation of a plan.

14 The Court is going to call you back for a status
15 conference regarding all of the 2004 motions, these and the
16 others that are out there that have not taken place. And we're
17 going to have a specific -- if there's not a settlement, and
18 2004 exams have not otherwise occurred by mutual agreement by
19 April 30th, we're going to set up a very vigorous schedule
20 between April 30th and May 15th to get it all done.

21 If I have to make space available here at the
22 courthouse in a conference room with a U.S. Marshal babysitting
23 the process, I will. And I say that mostly for Mr. Baron's
24 sake. That's what I'm inclined to do at that point. If on
25 April 30th, we don't have a settlement, and we haven't

1 otherwise had examinations of Mr. Baron and material progress,
2 I'm inclined to set up his deposition, or order it to occur
3 here in a conference room with a U.S. Marshal standing by ready
4 to intervene as necessary.

5 This is very, very frustrating. And I know that
6 everyone pretty much shares my frustration. But I'm frustrated
7 that Mr. Baron is an obstacle here, and maybe nothing short of
8 testifying and facing a holding cell if he doesn't cooperate
9 and testify is going to get him to budge in this.

10 I'm also concerned about lawyers and -- nondebtor
11 parties and lawyers worried more about their own personal
12 exposure and liability in this. And this estate just doesn't
13 have time for that anymore.

14 So, again, if we don't have resolution by the 30th,
15 maybe it's time to just, one-by-one, have these depositions.
16 Let everyone start airing their dirty laundry. And if we have
17 to go to DEFCON 3, or whatever that expression is, at that
18 point, we will.

19 But, again, agreed orders are fine with regard to
20 going ahead and doing a deposition on April 21st, or 16th, or
21 whatever. But if we show up here at the status conference on
22 the 30th, and we don't have a settlement, and we don't have any
23 2004 exams having taken place by then by agreement, we're going
24 to set them all up the first two weeks of May. Everybody's.
25 Not just these Diamond Key, Manassas, Taylor, and Sheridan.

EXHIBIT 39

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

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IN RE:) BK. NO: 09-34784-SGJ-11
)
ONDOVA LIMITED COMPANY)
D E B T O R)

* * * * *

TRANSCRIPT OF PROCEEDINGS

* * * * *

BE IT REMEMBERED, that on the 12th day of July,
2010, before the HONORABLE STACEY G. JERNIGAN, United States
Bankruptcy Judge at Dallas, Texas, the above styled and
numbered cause came on for hearing, and the following
constitutes the transcript of such proceedings as hereinafter
set forth:

1 have him in place. The issue of Taube's firm's attorney's
2 fees, or the Village Trust attorney's fees for June and July,
3 whether they are or are not capped at \$100,000. And the
4 issue of the 10 to 12,000 domain names that have trademark
5 issues that we may or may not be able to find a privacy
6 service for. Plus the wordsmithing of paragraph (6)(c).

7 Are you agreeing to be bound by this settlement
8 agreement?

9 MR. BARON: As long as the version we're
10 talking about is the version that we all agree to, plus these
11 changes, yes. I just want to make sure there haven't been
12 other things snuck in, if you will. But if nothing has been
13 snuck in, then there's not a problem.

14 THE COURT: Wait. What do you mean by that,
15 snuck in? To the version on June 22nd?

16 MR. BARON: Right.

17 THE COURT: But you have had ten days to read
18 that and you have two attorneys involved.

19 MR. BARON: There was one -- I'm just trying
20 to think about it as you're asking me.

21 THE COURT: Okay. I -- I'm beyond frustrated.
22 And I'm thinking about my contempt powers right now. That's
23 how frustrated I am. And ask your attorney during the break
24 what I mean by that, if you don't understand.

25 When did the topic of resignation of the Trustee and

1 Mr. Baron is receiving about a \$75,000 gift because the fees
2 are actually \$250,000 that we are reducing to \$175,000. So
3 the Court would not have to hear all of the testimony --

4 THE COURT: Okay. We're done. We're done. I
5 told you what I was prepared to do before lunch. That I
6 thought you had more or less capped yourself at \$100,000,
7 subject to some fudge room. Okay. You are wasting this
8 Court's time. You're wasting everybody's time. So are you,
9 Mr. Baron.

10 All right. We're done here. Here's what we're going
11 to do.

12 MR. PRONSKE: Your Honor, may I have just 30
13 seconds with Mr. Baron? May I approach?

14 THE COURT: You may.

15 MR. PRONSKE: Your Honor, I'm going to reduce
16 my fee to Mr. Baron by \$12,000, which is the amount of that,
17 so we'll agree to pay it.

18 THE COURT: All right. So what does that
19 mean?

20 MR. PRONSKE: It means we have an agreement to
21 pay it.

22 THE COURT: You know what, I am tired of these
23 short explanations that end up getting bogged down and then
24 we don't have a deal in three days. Let's be explicit on the
25 record of what the deal is.

EXHIBIT 40

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: : CASE NO. 09-34784
ONDOVA LIMITED COMPANY : Chapter 11
:
:

.....

Transcript of proceeding regarding
Status Conference, Motion to Withdraw as Attorney
Before the Honorable Stacey G. C. Jernigan
United States Bankruptcy Judge

15 SEPTEMBER 2010

Transcribed by: Richard Simpson
1120 Hallmark Dr.
Shreveport, LA 71118
318-688-1860

Proceedings recorded by electronic sound recording FTR;
transcript produced by transcription service.

1 we'll go into these attorney issues.

2 But I'll just give you a little preview. I am more than a
3 little concerned about the "musical attorneys." And if anyone
4 thinks that anything is going to happen to this settlement
5 agreement at this point, think again. I'll hear what you say,
6 Mr. Urbanik, but no one is going to get out of this settlement
7 agreement. And I cannot figure out why, for the life of me, we
8 have the "musical lawyers" going on, but it's going to stop
9 today. And we will discuss details of how and why it's going
10 to stop.

11 All right. Mr. Urbanik?

12 MR. URBANIK: Thank you, Your Honor. We appreciate
13 your remarks because that is the trustee's concern. The
14 settlement agreement has been progressing well until, I'd say a
15 few days ago, maybe a week ago when some issues became more --
16 issues became -- we became aware of.

17 Settlement agreement is at a very delicate place right
18 now. And our goal is to get this settlement consummated. And
19 whatever it takes, we are going to try to get this settlement
20 consummated.

21 THE COURT: It's going to be. It's going to be.

22 MR. URBANIK: The Court approved this settlement on
23 July 28. And right after that date, we began working with
24 parties. And for the most part, Your Honor, there was
25 cooperation among the parties, including the Manila, Netsphere

1 These three item -- the two items that need addressed need
2 to be addressed very, very promptly. Mr. Baron has a history
3 of changing lawyers to delay and disrupt. It's un-, un-, you
4 know, -contested. It's a demonstrated history. We can go
5 through the names, we can talk to Judge Furgeson, Judge
6 Hoffman, all the lawyers in this room --

7 THE COURT: I know. There are no more lawyers going
8 to be allowed. The question is: Whether any are going to be
9 released; is he going to be pro se; or is he going to have
10 lawyers? Or, you know, I am even noodling 28 U.S.C. Section
11 754 and 1692.

12 MR. URBANIK: Well, Your Honor, this demonstrated --

13 THE COURT: You know what I am talking about?

14 MR. URBANIK: I would need to get the Code.

15 THE COURT: No. Does anyone know what I'm talking
16 about?

17 UNIDENTIFIED SPEAKER: No.

18 THE COURT: That's the federal receiver statute.

19 MR. URBANIK: I understand.

20 THE COURT: I'm thinking of making a Report &
21 Recommendation to Judge Furgeson, maybe he just appoints a
22 receiver over Mr. Baron and his assets and let that receiver
23 implement the settlement agreement.

24 MR. URBANIK: Well, Your Honor, we --

25 THE COURT: Less extraordinary situations have

1 trying to delay getting that resolved. And that was the
2 impetus for filing the lawsuit today. Mr. Pronske said he
3 wanted to go to state court. We took it to state court.
4 Within about two hours, it was back in this court.

5 We're happy to let anyone -- Mr. Baron is happy to let
6 anybody reasonably consider that as long as his rights on that
7 issue are preserved.

8 And I'm a little surprised at the removal. But we're
9 happy to talk about all those issues. And there's plenty of
10 mechanisms here I believe that Mr. Baron will agree to, to
11 protect Mr. Pronske and others and to see that this settlement
12 is implemented. That was the -- when it started developing
13 further, then he started turning to me on the settlement issue.
14 And I'm not, I'm not familiar with that, although in all
15 honesty, I don't hear a lot of major issues still out there to
16 be done, so I don't know why a new lawyer can't resolve that.
17 I certainly understand the Court's concern that there be no
18 delay. And Mr. Baron will agree that any new counsel will not
19 be for the purpose of delay and there will be no delay related
20 to it.

21 And I say, Your Honor, I am not a disruptive lawyer. If
22 he were coming to hire a disruptive lawyer, it wouldn't have
23 been me. I think you know that.

24 THE COURT: I know you're not, Mr. Thomas. And I
25 don't mean any disrespect to you. But there is zero chance Mr.

1 Baron is getting a new lawyer. Zero. Zero. Okay?

2 40-something lawyers. 40-something lawyers.

3 MR. THOMAS: Even, Your Honor, for the end game, the
4 plan, et cetera, he needs representation. Mr. Pronske is gone.

5 THE COURT: He's had very able representation.

6 MR. THOMAS: I don't disagree with that.

7 THE COURT: Like I said, right now --

8 MR. THOMAS: I understand that.

9 THE COURT: -- he either keeps who he's got, he goes
10 it pro se, or maybe I recommend that a receiver be appointed if
11 I don't have confidence that he can do what he is required to
12 do pro se.

13 MR. THOMAS: Again, I just urge one more time that
14 you allow him to retain me for that purpose and to assist any
15 other lawyers that are on the case already.

16 THE COURT: Okay.

17 MR. THOMAS: Thank you, Your Honor.

18 THE COURT: All right. Mr. Broome, how much have you
19 been paid?

20 MR. BROOME: Your Honor, I have been retained on an
21 hourly rate, and there has been a retainer placed with my firm
22 in the amount of \$4,000.

23 If I could just very quickly address a couple of the
24 things that Mr. Pronske said. And that's my role here as a
25 very limited --

1 Trust. Curan Wagstaff. Kevin Demoore. Lackey Hershman. Law
2 offices of Dennitt West & LeJune. Law Offices of Graham
3 Taylor. Law Offices of Rajiv Jain. Mateer & Shaffer. Ness
4 Motly. Newman & Newman. Owens, Clary, Akin. Reed Smith, L.P.
5 Ronnie Palter. Rowe, Gotham & Associates. Thompson & Knight.
6 And apparently I've left off some, because that's 30-something.

7 You know, is it Rule 11 sanctionable? Is it gamesmanship?
8 Is it obvious improper purpose to delay? Or is it Texas Penal
9 Code theft of services?

10 You know, I am just so troubled for so many reasons. But
11 these are the things that are going through my mind during this
12 5-minute break. Baron can go forward with who he has with us
13 putting mechanisms in place to make sure those attorneys get
14 paid. He can go forward pro se, in which case I'm likely to
15 suggest Judge Furgeson appoint a receiver. I may order that a
16 big chunk of money be put in the registry of the court. But I
17 am going to do what I feel needs to be done to get this
18 settlement agreement implemented.

19 And so, Mr. Lyons, I'll let you kind of talk that over
20 with Mr. Baron during a 5-minute break. And then we'll come
21 back and hear testimony --

22 MR. TAUBE: Your Honor, I apologize for interrupting
23 the Court. I just wanted to make sure that I clarified. I may
24 have misled the Court. In terms of the actual assets that Bill
25 through up to The Village Trust, it is my understanding it

EXHIBIT 41

ENTERED

THE DATE OF ENTRY IS
ON THE COURTS DOCKET
TAWANA C. MARSHALL, CLERK

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:

ONDOVA LIMITED COMPANY,
DEBTOR.

§
§
§ Case No. 09-34784-SGJ-11
§
§

NETSPHERE, INC., ET AL.,
PLAINTIFFS,

VS.

§ Civil Action No. 3-09CV0988-F
§
§

JEFFREY BARON, ET AL.,
DEFENDANTS.

REPORT AND RECOMMENDATION TO DISTRICT COURT
(JUDGE ROYAL FURGESON):

THAT PETER VOGEL, SPECIAL MASTER, BE
AUTHORIZED AND DIRECTED TO MEDIATE ATTORNEYS FEES ISSUES

The undersigned bankruptcy judge makes this Report and Recommendation to the Honorable Royal Furgeson, who presides over litigation related to the above-referenced bankruptcy case styled *Netsphere v. Baron*, Case # 3-09CV0988-F (the "District Court Litigation"). The purpose of this submission is: (a) to report the status of certain matters pending before the bankruptcy court, that are related to the District Court Litigation; and (b)

to recommend that His Honor appoint Peter Vogel, Special Master in the District Court Litigation, to mediate issues relative to attorneys fees that are further described below.

I. BACKGROUND.

The bankruptcy court has held four status conferences in recent weeks in connection with the above-referenced bankruptcy case (on September 15, 22, and 30, 2010 and October 8, 2010). The bankruptcy court has heard reports and evidence at each status conference regarding the extent to which the so-called "Global Settlement Agreement" has been consummated. The "Global Settlement Agreement" refers to the Mutual Settlement and Release Agreement approved by the bankruptcy court on July 28, 2010 [see Order at Docket No. 394]¹, involving, among other things: (a) dozens of parties, but primarily the Ondova bankruptcy estate (through Chapter 11 Trustee, Daniel Sherman), Jeffrey Baron, the Manilla/NetSphere parties, the Village Trust, the MMSK Trust, and various United States Virgin Island entities; (b) a split of a portfolio of internet domain names; (c) certain payments to the Ondova bankruptcy estate by Manilla/NetSphere and the Village Trust; (d) the settlement of more than a half-dozen lawsuits involving Ondova and/or Jeffrey Baron; and (e) a broad release of claims. While the bankruptcy court has heard positive statements

¹ All docket number references herein refer to the docket entry numbers on the PACER/ECF docket maintained in the *In re Ondova Limited Company* ("Ondova") bankruptcy case (Case No. 09-34784-sgj-11).

from the Chapter 11 Trustee indicating that there has been substantial consummation of the Global Settlement Agreement (i.e., payment of more than one million dollars of settlement funds to the Ondova bankruptcy estate by Manilla/NetSphere; payment of certain additional settlement funds to the Ondova bankruptcy estate from the Village Trust; dismissals of all lawsuits except for the District Court Litigation;² appointment of a successor Trustee and Protector over the Village Trust; steps toward transferring the so-called "Odd Names Portfolio" portion of the internet domain names to a new Registrar away from Ondova), the bankruptcy court has had lingering concerns at each of the status conferences regarding Jeffrey Baron's commitment to completing his obligations under the Global Settlement Agreement, and possibly taking actions to frustrate the Global Settlement Agreement. Part of the bankruptcy court's concerns in this regard have been fueled by the fact that Jeffrey Baron has continued to hire and fire lawyers for himself and certain entities that are parties to the Global Settlement Agreement (e.g., Quantec), and has instructed such lawyers to file pleadings—even after entry into the Global Settlement Agreement—

² The District Court Litigation, as well as the bankruptcy case of Ondova, remain open, so that there will be fora in which the parties can seek relief to enforce or interpret the Global Settlement Agreement. Additionally, there is remaining case administration needed in the Ondova bankruptcy case (namely, resolution and payment of claims—now that there are funds to pay creditors).

as though the matters resolved in the Global Settlement Agreement are far from over.

But the concern over the hiring-and-firing of lawyers is even more problematic than what the bankruptcy court mentions above. The bankruptcy court has had a growing concern that Jeffrey Baron's actions *may be exposing the Ondova bankruptcy estate to possible administrative expense claims* for amounts owed to attorneys that *Jeffrey Baron should pay or entities with which he is connected (Quantec, Village Trust, etc.) should rightfully pay*. To further explain, the court summarizes below some of what has occurred before and after the Global Settlement Agreement was reached.

II. THE CAVALCADE OF ATTORNEYS.

When Jeffrey Baron started hiring and firing lawyers shortly after the Global Settlement Agreement was reached, the bankruptcy court took judicial notice (at a September 15, 2010 status conference) that Jeffrey Baron and Ondova have had *dozens of sets of lawyers* in the past four years, since the litigation with Manilla/NetSphere and other parties commenced. At least the following lawyers have served as former counsel to Ondova and/or Jeffrey Baron in the litigation with Manilla/NetSphere that started in the state district court in Dallas County (before the next phase of litigation between the parties started in the District Court Litigation): (i) Mateer & Schaffer; (ii)

Carrington Coleman Sloman & Blumenthal; (iii) Bickel & Brewer; (iv) The Beckham Group; (v) The Aldous Law Firm; (vi) The Rasansky Law Firm; (vii) Fee Smith Sharp & Vitullo; and (viii) Friedman & Feiger.

Additionally, far more than a dozen attorneys' names were listed in Ondova's Bankruptcy Schedules (Schedule F—the list of pre-bankruptcy unsecured creditors of Ondova) as being owed significant sums of money by Ondova (not the least of which was the Carrington Coleman law firm, that filed a claim for \$224,233.27, and Bickel & Brewer which is scheduled as being owed \$42,500).

Fast forwarding to the post-bankruptcy time period, at least the following lawyers have become engaged by Jeff Baron or entities he directs (or is the ultimate owner/beneficiary of) *since* the Ondova bankruptcy case was filed: (i) Paul Keiffer (Wright, Ginsburg & Brusilow) for Ondova;³ (ii) Gerrit Pronske (Pronske & Patel) for Jeffrey Baron individually;⁴ (iii) Steven

³ Mr. Keiffer and his firm filed an application to be employed by Ondova on July 29, 2009 [Doc. No. 5], which application was granted by this court [Doc. No. 57]. Then, Mr. Keiffer moved to withdraw just a month-and-a-half later, on September 11, 2009 [Doc. No. 83], which the court granted on October 1, 2009 [Doc. No. 108].

⁴ Pronske & Patel moved to withdraw from representing Jeffrey Baron on September 7, 2010, after representing Mr. Baron for many months in the bankruptcy case [Doc. No. 419], citing nonpayment of more than \$200,000 of fees during the Ondova bankruptcy case, conflicts of interest—as Jeffrey Baron has now sued them—and also a concern that Jeffrey Baron may be engaging in fraudulent transfers. This request to withdraw was granted by the bankruptcy court [Doc. No. 449].

Jones for Jeffrey Baron individually;⁵ (iv) Gary Lyon for Jeffrey Baron individually;⁶ (v) Dean Ferguson for Jeffrey Baron individually;⁷ (vi) Martin Thomas for Jeffrey Baron individually;⁸ (vii) Stanley Broome for Jeffrey Baron individually;⁹ and (viii) James Eckles for Quantec.¹⁰ Several

⁵ Mr. Jones made a brief cameo appearance as criminal counsel to Mr. Baron during the Ondova bankruptcy case on September 11 and 28, 2009.

⁶ Attorney Gary Lyon, who has been representing Jeffrey Baron individually for many months in the bankruptcy court and District Court, recently requested to have attorney Martin Thomas substituted in his place or approved as co-counsel with him [see, e.g., Doc. No. 458]. For the first time, Mr. Lyon announced in September 2010 that he is only admitted to practice law in the State of Oklahoma, although admitted in the courts in the Northern District of Texas, and Mr. Lyon felt this was an ethical problem unless he associated with co-counsel (here, suggesting Martin Thomas).

⁷ Dean Ferguson appeared for Jeffrey Baron individually at one hearing in the Ondova bankruptcy case (on September 15, 2010) and said he had been representing Jeffrey Baron for some time in connection with out-of-court negotiations relating to the Ondova bankruptcy case, but he would not be seeking to go forward because of non-payment of fees.

⁸ Attorney Martin Thomas (who has newly filed a notice of appearance in the bankruptcy case) [Doc. No. 37, filed on September 14, 2010] seeks to be primary counsel now to Jeffrey Baron individually. The court signed an order on October 12, 2010 allowing Martin Thomas to represent Mr. Baron (with Gary Lyon) in the bankruptcy case.

⁹ Attorney Stanley Broome (who has newly sued Pronske & Patel for Jeffrey Baron in September 2010) has filed a notice of appearance for Jeffrey Baron in the bankruptcy case [Doc. No. 438, filed September 15, 2010].

¹⁰ Attorney James Eckles filed a notice of appearance for Quantec, LLC on September 21, 2010 [Doc. No. 450]. He has already filed a request that the court interpret part of the Global Settlement Agreement in a way that the court found unsupportable. His request was stricken. It appears to the bankruptcy court that Mr. Eckles is acting primarily for Mr. Baron, individually. He admitted that he had

lawyers have appeared for the Virgin Island entities of which Jeffrey Baron is the beneficiary including (i) Eric Taube (Hohmann, Taube & Summers), (ii) Hitchcock Everitt LLP, (iii) Craig Capua (West & Associates, LLP), and (iv) Shririg Jete Becket Tackett.

Jeffrey Baron's habit of hiring and then firing lawyers, in many cases after they have incurred significant fees on his or Ondova's behalf (or on behalf of other entities he controls or is beneficiary of), has grown to a level that is more than a little disturbing. As the court noted in court on September 15, 2010, at the very least, it smacks of the possibility of violating Rule 11 (*i.e.*, it suggests a pattern of perhaps being motivated by an improper purpose, such as to harass, cause delay, or needlessly increase the cost of litigation for other parties). Still more troubling is the possibility to the court that Jeffrey Baron may be engaging in the crime of theft of services. See Texas Penal Code §§ 31.01(6) & 31.04 ("A person commits theft of service if, with intent to avoid payment for service that he knows is provided only for compensation: (1) he intentionally or knowingly secures performance of the service by deception, threat, or false token"; "services" includes "professional services"). This crime can be a misdemeanor or a felony—depending on the amount involved. If Jeffrey Baron is constantly engaging lawyers

represented Mr. Baron individually in another matter.

without ever intending to pay them the full amounts that they charge, and then terminating them when they demand payment, this court is troubled that there are possibly criminal implications for Jeffrey Baron.

The bankruptcy court has announced that it will not allow this pattern to occur any further in these proceedings, and Jeffrey Baron will not be allowed to hire any additional attorneys. Mr. Baron has been told that he can either retain Gary Lyon and Martin Thomas through the end of the bankruptcy case (which this court does not expect to last much longer) or he can proceed *pro se*. The bankruptcy court has further warned Mr. Baron that if he chooses to proceed *pro se* and does not cooperate in connection with final consummation of the Global Settlement Agreement, he can expect this court to recommend to His Honor that he appoint a receiver over Mr. Baron, pursuant to 28 U.S.C. §§ 754 & 1692, to seize Mr. Baron's assets and perform the obligations of Jeffrey Baron under the Global Settlement Agreement.¹¹

III. RECOMMENDATION.

As alluded to above, the bankruptcy court's concerns over the above hiring and firing of lawyers by Mr. Baron is multi-faceted (e.g., Rule 11 implications; frustration of the Global

¹¹ The bankruptcy court is concerned that it would not have the power to appoint a receiver over Mr. Baron, due to language in section 105(b) of the Bankruptcy Code.

Settlement Agreement; possible criminal theft of services, etc.). But, at this juncture, the bankruptcy court is perhaps most concerned about the risk that the bankruptcy estate has and will be exposed to administrative expense claims as a result of Mr. Baron's behavior (e.g., claims occurring during the post-bankruptcy time period, with regard to which payment may be sought from the Ondova bankruptcy estate, and which claims would "prime" pre-bankruptcy unsecured claims). For example, the Pronske & Patel law firm has taken the position that they are owed and have not been paid approximately \$200,000 incurred representing Mr. Baron. Pronske & Patel may seek a "substantial contribution" administrative expense claim against the Ondova bankruptcy estate (see 11 U.S.C. §503(b)(3)(D) & (4), which contemplate that an administrative expense claim may be allowed for a creditor or professional for a creditor who makes a "substantial contribution" in a case under chapter 9 or 11 of this title). Pronske & Patel have already filed a counterclaim against Mr. Baron in an adversary proceeding Mr. Baron has filed against them. Similarly, certain law firms who have represented the Virgin Island entities of which Jeffrey Baron is the beneficiary (specifically, Hohmann, Taube & Summers, Hitchcock Everitt LLP, West & Associates, LLP, and Shririg Jete Becket Tackett) have filed a Motion for Allowance of Attorneys Fees Pursuant to the Supplemental Settlement Agreement in the Ondova

bankruptcy case [Doc. No. 452, on September 21, 2010], which represents that they have incurred approximately \$150,000 in fees, after the execution of the Global Settlement Agreement, as a result of status conferences and Show Cause hearings involving Mr. Baron and his entities and that there are specific provisions of certain settlement documents that may permit them to seek a court order allowing these to be paid. If the Ondova bankruptcy estate is imposed with administrative expense claims from these or other attorneys (the risk of which appears to be genuine), then it should be entitled to a claim for reimbursement against Mr. Baron or the entity that incurred the fees. It was because of this risk—and also because of the risk that the bankruptcy court believed it might ultimately find Jeffrey Baron in contempt of the bankruptcy court's order approving the Global Settlement Agreement—that the court ordered on September 16, 2010 [Doc. No. 441] that the Village Trust be instructed by Jeffrey Baron to immediately remit \$330,000 to the Ondova Bankruptcy Trustee as a "security deposit" against these risks. Bankruptcy Trustee Daniel Sherman currently holds this \$330,000 of funds, pending further orders of the court.

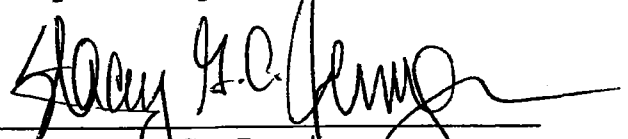
The bankruptcy court now recommends that His Honor appoint his Special Master, Peter Vogel, to conduct a global mediation among Daniel Sherman, Jeffrey Baron, and the various attorneys who may make a claim to this \$330,000 of funds or otherwise may

assert an administrative expense claim against the Ondova bankruptcy estate, in respect of attorneys fees they incurred postpetition for services provided to Jeffrey Baron or entities he controls or is the beneficiary of, and which services may have provided a substantial contribution to the estate. This court has subject matter jurisdiction to make this recommendation, as there could conceivably be an impact on the Ondova bankruptcy estate, if attorneys who represented Jeffrey Baron and his related entities go unpaid and make "substantial contribution" claims against the bankruptcy estate. The bankruptcy court believes that some of these "substantial contribution" claims could be meritorious.

The bankruptcy court has been informed that Mr. Vogel agrees to perform a mediation and that he and Bankruptcy Trustee Sherman are prepared to recommend a format and structure for the mediation and for the participants. The bankruptcy court would defer to Mr. Vogel, Mr. Sherman, and His Honor with regard to the details of the mediation.

Dated: October 12, 2010

Respectfully submitted,



Stacey G. C. Jernigan
United States Bankruptcy Judge

EXHIBIT A

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ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., ET AL.,
PLAINTIFFS

v.

JEFFREY BARON, ET AL.,
DEFENDANTS.

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Case No. 3:09-CV-0988-F

**EMERGENCY MOTION OF TRUSTEE FOR
APPOINTMENT OF A RECEIVER OVER JEFFREY BARON**

TO THE HONORABLE ROYAL FURGESON, U.S. DISTRICT COURT JUDGE:

COMES NOW Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 trustee of Ondova Limited Company ("Ondova"), and files his *Emergency Motion of Trustee for Appointment of a Receiver over Jeffrey Baron* (the "Motion"), respectfully stating as follows:

I. BACKGROUND

1. On October 13, 2010, the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Case") entered its *Report and Recommendation to District Court (Judge Royal Furgeson): That Peter Vogel, Special Master, Be Authorized and Directed to Mediate Attorneys Fees Issues* [Docket No. 484] (the "Bankruptcy Court's Report and Recommendation") in the bankruptcy case of Ondova, styled *In re Ondova Limited Company*, Case No. 09-34784 (the "Bankruptcy Case"). A copy of the Bankruptcy Court's Report and Recommendation is attached hereto as Exhibit "A." On the same day, the Bankruptcy Court

filed its Report and Recommendation with this Court. On October 19, 2010, this Court adopted the Bankruptcy Court's Report and Recommendation in its entirety.

2. The Bankruptcy Court's Report and Recommendation addressed Mr. Jeffrey Baron's continuing and disturbing pattern of hiring and firing attorneys. In the Bankruptcy Court's Report and Recommendation, the Bankruptcy Court stated that it would no longer tolerate such behavior and that it would not allow Mr. Jeffrey Baron ("Baron") to hire any additional lawyers. In fact, the Bankruptcy Court gave Baron two options: (1) retain Gary Lyons and Martin Thomas through the end of the Bankruptcy Case, or (2) proceed *pro se*. If Baron chose the latter opinion, the Bankruptcy Court advised Baron that it would recommend to this Court that it appoint a receiver over Mr. Baron and all of his assets.

II. RECENT DEVELOPMENTS

3. At a hearing on Wednesday, November 17, 2010, Martin Thomas advised the Bankruptcy Court that he was terminating his legal representation of Mr. Baron. Mr. Thomas advised the Bankruptcy Court that he had not been paid, that Mr. Baron had filed a grievance against him and that Mr. Baron had committed to attend the hearing on November 17, 2010 but failed to show up. The failure of Mr. Baron to show up on November 17, 2010 was disruptive for several reasons including that Mr. Baron was advised by Mr. Thomas that he needed to attend in order to raise objections to the Trustee's Motion for Authority to Reject Executory Contracts with The Internet Corporation for Assigned Names and Numbers ("ICANN") filed by the Trustee ("ICANN Motion") in the Bankruptcy Case, at Mr. Baron's request, on November 3, 2010. Mr. Thomas had advised Mr. Baron that he was withdrawing and would not make the objections Mr. Baron was requesting be made to the ICANN Motion. Mr. Thomas has recently advised the Trustee that he himself has had to engage counsel to handle matters with Mr. Baron.

4. Additionally, on November 19, 2010, one of Mr. Baron's other attorneys, Gary Lyon, advised the undersigned counsel for the Trustee that Baron has hired a new attorney to represent Baron in connection with matters pertaining to the Bankruptcy Case. That attorney is

Sydney Chisnen. This new attorney may have assisted Mr. Lyon in the pleading filed on November 19, 2010 entitled: Jeffrey Baron's Limited Objection to the Third Interim Fee Application of Munsch Hardt Kopf & Harr, P.C.

5. On November 22, 2010, the undersigned counsel received by email a copy of a lawsuit brought by a new attorney for Mr. Baron named Robert J. Garrey. A true and correct copy of Mr. Garrey's First Amended Petition filed in Collin County, Texas, 366th Judicial District Court is attached as Exhibit "B". Mr. Garrey's lawsuit raises serious allegations against Mr. Baron.

6. Finally, undersigned counsel has been contacted by two attorneys participating in the mediation efforts regarding unpaid attorney fees incurred by Baron. One attorney has advised that Baron and his legal team have failed to communicate with him regarding the mediation procedure. That particular attorney has also advised the Trustee that Stan Broome, an attorney who Baron hired to participate for Baron with respect to the attorney fee mediations, has resigned effective November 22, 2010. Mr. Broome has advised other parties that he has not been paid for his services. A copy of the motion filed by Mr. Broome to withdraw in the adversary proceeding is attached as Exhibit "C".

7. Another former Baron attorney, who is owed a smaller amount of attorney fees, has contacted counsel for the Trustee frustrated that Mr. Baron's attorneys are not being responsive to him in efforts in trying to settle the legal fee claim without participating in the mediation sessions with Peter Vogel. It is clear that Baron is not cooperating in the process outlined by this Court in its Order of October 13, 2010 regarding the mediation process. Attorneys who may otherwise seek to participate in the mediation process are reluctant to do so because they believe Mr. Baron will not fully cooperate, will delay mediation efforts by engaging new attorneys unfamiliar with the background of matters and will be generally uncooperative.

8. Mr. Baron is continuing to hire and fire attorneys. The Trustee believes that Mr. Baron has hired new attorneys who act as personal counsel to interfere with Mr. Martin and Mr.

Lyon who are Mr. Baron's attorneys in the Bankruptcy Case.

9. The Trustee believes that Baron's behavior will continue and will delay the wind down of the bankruptcy estate of Ondova and the Bankruptcy Case, which will, in turn, delay and, depending on the administrative costs of continuing to fight Baron and the Trusts, potentially reduce distributions to the Ondova's creditors

III. RELIEF REQUESTED

10. In accordance with the Bankruptcy Court's Report and Recommendation, the Trustee respectfully requests the appointment of a receiver over Jeffery Baron and all of his assets – including all the entities and trusts that he either controls or is a beneficiary of – pursuant to Rule 66 of the Federal Rules of Civil Procedure and 28 U.S.C. §§ 754 and 1692.

11. Admittedly, the appointment of a receiver is an extraordinary remedy. However, this Court has broad discretion to analyze the circumstances at hand and, if appropriate, to appoint a receiver even if there is no allegation of fraud. *See, e.g., Aviation Supply Corp. v. R.S.B.I. Aerospace, Inc.*, 999 F.2d 314, 317 (8th Cir. 1993) (court's decision to appoint a receiver is discretionary and does not require proof of fraud as support); *Citronelle-Mobile Gathering, Inc. v. Watkins*, 934 F.2d 1180, 1184 (11th Cir. 1991).

12. As set forth above, Baron has continually disregarded the Bankruptcy Court's warnings and orders and has continued to hire and fire lawyers at an alarming rate. Such actions have, and will continue, to frustrate the administration of the Bankruptcy Case and the bankruptcy estate of Ondova. Furthermore, Baron's actions will also continue to place Ondova's bankruptcy estate (and, thus, recoveries to its rightful creditors) at risk due to a continued stream of Baron's attorneys' making claims against Ondova and its bankruptcy estate.

13. Therefore, the appointment of a receiver is necessary under the circumstances in order to remove Baron from control of his assets and end his ability to further hire and fire a growing army of attorneys.

14. The Trustee recommends to this Court that Peter Vogel, currently the Special Master in this case, be appointed receiver in light of his involvement and experience in this case.

IV. PRAYER

WHEREFORE, PREMISES CONSIDERED, the Trustee respectfully requests that the Court appoint a receiver over Baron and all of his assets, effective immediately.

Respectfully submitted this 24th day of November, 2010.

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Raymond J. Urbanik
Raymond J. Urbanik, Esq.
Texas Bar No. 20414050
Lee J. Pannier, Esq.
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**ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I hereby certify that, on November 24, 2010, a true and correct copy of the foregoing document was sent to all parties requesting electronic service through the Court's ECF system as well as the following parties via e-mail:

Gary G. Lyon
P.O. Box 1227
Anna, TX 75409
glyon.attorney@gmail.com

Martin Thomas
P.O. Box 36528
Dallas, TX 75235
thomas12@swbell.net

/s/ Raymond J. Urbanik
Raymond J. Urbanik

EXHIBIT "A"

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

ENTERED

THE DATE OF ENTRY IS
ON THE COURT'S DOCKET
TAWANA C. MARSHALL, CLERK

IN RE:

ONDOVA LIMITED COMPANY,
DEBTOR.

Case No. 09-34784-SGJ-11

NETSPHERE, INC., ET AL.,
PLAINTIFFS,

VS.

Civil Action No. 3-09CV0988-F

JEFFREY BARON, ET AL.,
DEFENDANTS.

REPORT AND RECOMMENDATION TO DISTRICT COURT

(JUDGE ROYAL FURGESON):

THAT PETER VOGEL, SPECIAL MASTER, BE
AUTHORIZED AND DIRECTED TO MEDIATE ATTORNEYS FEES ISSUES

The undersigned bankruptcy judge makes this Report and Recommendation to the Honorable Royal Furgeson, who presides over litigation related to the above-referenced bankruptcy case styled *Netsphere v. Baron*, Case # 3-09CV0988-F (the "District Court Litigation"). The purpose of this submission is: (a) to report the status of certain matters pending before the bankruptcy court, that are related to the District Court Litigation; and (b)

to recommend that His Honor appoint Peter Vogel, Special Master in the District Court Litigation, to mediate issues relative to attorneys fees that are further described below.

I. BACKGROUND.

The bankruptcy court has held four status conferences in recent weeks in connection with the above-referenced bankruptcy case (on September 15, 22, and 30, 2010 and October 8, 2010). The bankruptcy court has heard reports and evidence at each status conference regarding the extent to which the so-called "Global Settlement Agreement" has been consummated. The "Global Settlement Agreement" refers to the Mutual Settlement and Release Agreement approved by the bankruptcy court on July 28, 2010 [see Order at Docket No. 394]¹, involving, among other things: (a) dozens of parties, but primarily the Ondova bankruptcy estate (through Chapter 11 Trustee, Daniel Sherman), Jeffrey Baron, the Manilla/NetSphere parties, the Village Trust, the MMSK Trust, and various United States Virgin Island entities; (b) a split of a portfolio of internet domain names; (c) certain payments to the Ondova bankruptcy estate by Manilla/NetSphere and the Village Trust; (d) the settlement of more than a half-dozen lawsuits involving Ondova and/or Jeffrey Baron; and (e) a broad release of claims. While the bankruptcy court has heard positive statements

¹ All docket number references herein refer to the docket entry numbers on the PACER/ECF docket maintained in the *In re Ondova Limited Company* ("Ondova") bankruptcy case (Case No. 09-34784-sgj-11).

from the Chapter 11 Trustee indicating that there has been substantial consummation of the Global Settlement Agreement (i.e., payment of more than one million dollars of settlement funds to the Ondova bankruptcy estate by Manilla/NetSphere; payment of certain additional settlement funds to the Ondova bankruptcy estate from the Village Trust; dismissals of all lawsuits except for the District Court Litigation;² appointment of a successor Trustee and Protector over the Village Trust; steps toward transferring the so-called "Odd Names Portfolio" portion of the internet domain names to a new Registrar away from Ondova), the bankruptcy court has had lingering concerns at each of the status conferences regarding Jeffrey Baron's commitment to completing his obligations under the Global Settlement Agreement, and possibly taking actions to frustrate the Global Settlement Agreement. Part of the bankruptcy court's concerns in this regard have been fueled by the fact that Jeffrey Baron has continued to hire and fire lawyers for himself and certain entities that are parties to the Global Settlement Agreement (e.g., Quantec), and has instructed such lawyers to file pleadings—even after entry into the Global Settlement Agreement—

² The District Court Litigation, as well as the bankruptcy case of Ondova, remain open, so that there will be fora in which the parties can seek relief to enforce or interpret the Global Settlement Agreement. Additionally, there is remaining case administration needed in the Ondova bankruptcy case (namely, resolution and payment of claims—now that there are funds to pay creditors).

as though the matters resolved in the Global Settlement Agreement are far from over.

But the concern over the hiring-and-firing of lawyers is even more problematic than what the bankruptcy court mentions above. The bankruptcy court has had a growing concern that Jeffrey Baron's actions *may be exposing the Ondova bankruptcy estate to possible administrative expense claims* for amounts owed to attorneys that *Jeffrey Baron should pay or entities with which he is connected (Quantec, Village Trust, etc.) should rightfully pay*. To further explain, the court summarizes below some of what has occurred before and after the Global Settlement Agreement was reached.

II. THE CAVALCADE OF ATTORNEYS.

When Jeffrey Baron started hiring and firing lawyers shortly after the Global Settlement Agreement was reached, the bankruptcy court took judicial notice (at a September 15, 2010 status conference) that Jeffrey Baron and Ondova have had *dozens of sets of lawyers* in the past four years, since the litigation with Manilla/NetSphere and other parties commenced. At least the following lawyers have served as former counsel to Ondova and/or Jeffrey Baron in the litigation with Manilla/NetSphere that started in the state district court in Dallas County (before the next phase of litigation between the parties started in the District Court Litigation): (i) Mateer & Schaffer; (ii)

Carrington Coleman Sloman & Blumenthal; (iii) Bickel & Brewer; (iv) The Beckham Group; (v) The Aldous Law Firm; (vi) The Rasansky Law Firm; (vii) Fee Smith Sharp & Vitullo; and (viii) Friedman & Feiger.

Additionally, far more than a dozen attorneys' names were listed in Ondova's Bankruptcy Schedules (Schedule F—the list of pre-bankruptcy unsecured creditors of Ondova) as being owed significant sums of money by Ondova (not the least of which was the Carrington Coleman law firm, that filed a claim for \$224,233.27, and Bickel & Brewer which is scheduled as being owed \$42,500).

Fast forwarding to the post-bankruptcy time period, at least the following lawyers have become engaged by Jeff Baron or entities he directs (or is the ultimate owner/beneficiary of) *since* the Ondova bankruptcy case was filed: (i) Paul Keiffer (Wright, Ginsburg & Brusilow) for Ondova;³ (ii) Gerrit Pronske (Pronske & Patel) for Jeffrey Baron individually;⁴ (iii) Steven

³ Mr. Keiffer and his firm filed an application to be employed by Ondova on July 29, 2009 [Doc. No. 5], which application was granted by this court [Doc. No. 57]. Then, Mr. Keiffer moved to withdraw just a month-and-a-half later, on September 11, 2009 [Doc. No. 83], which the court granted on October 1, 2009 [Doc. No. 108].

⁴ Pronske & Patel moved to withdraw from representing Jeffrey Baron on September 7, 2010, after representing Mr. Baron for many months in the bankruptcy case [Doc. No. 419], citing nonpayment of more than \$200,000 of fees during the Ondova bankruptcy case, conflicts of interest—as Jeffrey Baron has now sued them—and also a concern that Jeffrey Baron may be engaging in fraudulent transfers. This request to withdraw was granted by the bankruptcy court [Doc. No. 449].

Jones for Jeffrey Baron individually;⁵ (iv) Gary Lyon for Jeffrey Baron individually;⁶ (v) Dean Ferguson for Jeffrey Baron individually;⁷ (vi) Martin Thomas for Jeffrey Baron individually;⁸ (vii) Stanley Broome for Jeffrey Baron individually;⁹ and (viii) James Eckles for Quantec.¹⁰ Several

⁵ Mr. Jones made a brief cameo appearance as criminal counsel to Mr. Baron during the Ondova bankruptcy case on September 11 and 28, 2009.

⁶ Attorney Gary Lyon, who has been representing Jeffrey Baron individually for many months in the bankruptcy court and District Court, recently requested to have attorney Martin Thomas substituted in his place or approved as co-counsel with him [see, e.g., Doc. No. 458]. For the first time, Mr. Lyon announced in September 2010 that he is only admitted to practice law in the State of Oklahoma, although admitted in the courts in the Northern District of Texas, and Mr. Lyon felt this was an ethical problem unless he associated with co-counsel (here, suggesting Martin Thomas).

⁷ Dean Ferguson appeared for Jeffrey Baron individually at one hearing in the Ondova bankruptcy case (on September 15, 2010) and said he had been representing Jeffrey Baron for some time in connection with out-of-court negotiations relating to the Ondova bankruptcy case, but he would not be seeking to go forward because of non-payment of fees.

⁸ Attorney Martin Thomas (who has newly filed a notice of appearance in the bankruptcy case) [Doc. No. 37, filed on September 14, 2010] seeks to be primary counsel now to Jeffrey Baron individually. The court signed an order on October 12, 2010 allowing Martin Thomas to represent Mr. Baron (with Gary Lyon) in the bankruptcy case.

⁹ Attorney Stanley Broome (who has newly sued Pronske & Patel for Jeffrey Baron in September 2010) has filed a notice of appearance for Jeffrey Baron in the bankruptcy case [Doc. No. 438, filed September 15, 2010].

¹⁰ Attorney James Eckles filed a notice of appearance for Quantec, LLC on September 21, 2010 [Doc. No. 450]. He has already filed a request that the court interpret part of the Global Settlement Agreement in a way that the court found unsupportable. His request was stricken. It appears to the bankruptcy court that Mr. Eckles is acting primarily for Mr. Baron, individually. He admitted that he had

lawyers have appeared for the Virgin Island entities of which Jeffrey Baron is the beneficiary including (i) Eric Taube (Hohmann, Taube & Summers), (ii) Hitchcock Everitt LLP, (iii) Craig Capua (West & Associates, LLP), and (iv) Shririg Jete Becket Tackett.

Jeffrey Baron's habit of hiring and then firing lawyers, in many cases after they have incurred significant fees on his or Ondova's behalf (or on behalf of other entities he controls or is beneficiary of), has grown to a level that is more than a little disturbing. As the court noted in court on September 15, 2010, at the very least, it smacks of the possibility of violating Rule 11 (i.e., it suggests a pattern of perhaps being motivated by an improper purpose, such as to harass, cause delay, or needlessly increase the cost of litigation for other parties). Still more troubling is the possibility to the court that Jeffrey Baron may be engaging in the crime of theft of services. See Texas Penal Code §§ 31.01(6) & 31.04 ("A person commits theft of service if, with intent to avoid payment for service that he knows is provided only for compensation: (1) he intentionally or knowingly secures performance of the service by deception, threat, or false token"; "services" includes "professional services"). This crime can be a misdemeanor or a felony—depending on the amount involved. If Jeffrey Baron is constantly engaging lawyers

represented Mr. Baron individually in another matter.

without ever intending to pay them the full amounts that they charge, and then terminating them when they demand payment, this court is troubled that there are possibly criminal implications for Jeffrey Baron.

The bankruptcy court has announced that it will not allow this pattern to occur any further in these proceedings, and Jeffrey Baron will not be allowed to hire any additional attorneys. Mr. Baron has been told that he can either retain Gary Lyon and Martin Thomas through the end of the bankruptcy case (which this court does not expect to last much longer) or he can proceed *pro se*. The bankruptcy court has further warned Mr. Baron that if he chooses to proceed *pro se* and does not cooperate in connection with final consummation of the Global Settlement Agreement, he can expect this court to recommend to His Honor that he appoint a receiver over Mr. Baron, pursuant to 28 U.S.C. §§ 754 & 1692, to seize Mr. Baron's assets and perform the obligations of Jeffrey Baron under the Global Settlement Agreement.¹¹

III. RECOMMENDATION.

As alluded to above, the bankruptcy court's concerns over the above hiring and firing of lawyers by Mr. Baron is multi-faceted (e.g., Rule 11 implications; frustration of the Global

¹¹ The bankruptcy court is concerned that it would not have the power to appoint a receiver over Mr. Baron, due to language in section 105(b) of the Bankruptcy Code.

Settlement Agreement; possible criminal theft of services, etc.). But, at this juncture, the bankruptcy court is perhaps most concerned about the risk that the bankruptcy estate has and will be exposed to administrative expense claims as a result of Mr. Baron's behavior (e.g., claims occurring during the post-bankruptcy time period, with regard to which payment may be sought from the Ondova bankruptcy estate, and which claims would "prime" pre-bankruptcy unsecured claims). For example, the Pronske & Patel law firm has taken the position that they are owed and have not been paid approximately \$200,000 incurred representing Mr. Baron. Pronske & Patel may seek a "substantial contribution" administrative expense claim against the Ondova bankruptcy estate (see 11 U.S.C. §503(b)(3)(D) & (4), which contemplate that an administrative expense claim may be allowed for a creditor or professional for a creditor who makes a "substantial contribution" in a case under chapter 9 or 11 of this title). Pronske & Patel have already filed a counterclaim against Mr. Baron in an adversary proceeding Mr. Baron has filed against them. Similarly, certain law firms who have represented the Virgin Island entities of which Jeffrey Baron is the beneficiary (specifically, Hohmann, Taube & Summers, Hitchcock Everitt LLP, West & Associates, LLP, and Shrurig Jete Becket Tackett) have filed a Motion for Allowance of Attorneys Fees Pursuant to the Supplemental Settlement Agreement in the Ondova

bankruptcy case [Doc. No. 452, on September 21, 2010], which represents that they have incurred approximately \$150,000 in fees, after the execution of the Global Settlement Agreement, as a result of status conferences and Show Cause hearings involving Mr. Baron and his entities and that there are specific provisions of certain settlement documents that may permit them to seek a court order allowing these to be paid. If the Ondova bankruptcy estate is imposed with administrative expense claims from these or other attorneys (the risk of which appears to be genuine), then it should be entitled to a claim for reimbursement against Mr. Baron or the entity that incurred the fees. It was because of this risk—and also because of the risk that the bankruptcy court believed it might ultimately find Jeffrey Baron in contempt of the bankruptcy court's order approving the Global Settlement Agreement—that the court ordered on September 16, 2010 [Doc. No. 441] that the Village Trust be instructed by Jeffrey Baron to immediately remit \$330,000 to the Ondova Bankruptcy Trustee as a "security deposit" against these risks. Bankruptcy Trustee Daniel Sherman currently holds this \$330,000 of funds, pending further orders of the court.

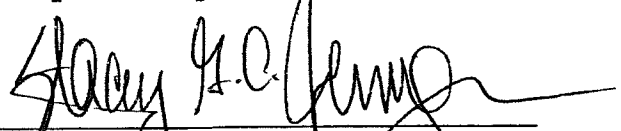
The bankruptcy court now recommends that His Honor appoint his Special Master, Peter Vogel, to conduct a global mediation among Daniel Sherman, Jeffrey Baron, and the various attorneys who may make a claim to this \$330,000 of funds or otherwise may

assert an administrative expense claim against the Ondova bankruptcy estate, in respect of attorneys fees they incurred postpetition for services provided to Jeffrey Baron or entities he controls or is the beneficiary of, and which services may have provided a substantial contribution to the estate. This court has subject matter jurisdiction to make this recommendation, as there could conceivably be an impact on the Ondova bankruptcy estate, if attorneys who represented Jeffrey Baron and his related entities go unpaid and make "substantial contribution" claims against the bankruptcy estate. The bankruptcy court believes that some of these "substantial contribution" claims could be meritorious.

The bankruptcy court has been informed that Mr. Vogel agrees to perform a mediation and that he and Bankruptcy Trustee Sherman are prepared to recommend a format and structure for the mediation and for the participants. The bankruptcy court would defer to Mr. Vogel, Mr. Sherman, and His Honor with regard to the details of the mediation.

Dated: October 12, 2010

Respectfully submitted,



Stacey G. C. Jernigan
United States Bankruptcy Judge

EXHIBIT "B"

CAUSE NO. 366-04714-2010

ROBERT J. GARREY,

IN THE DISTRICT COURT

Plaintiff

v.

COLLIN COUNTY, TEXAS

**JEFFREY HARBIN, JEFFREY
BARON, THE VILLAGE TRUST,
QUANTEC LLC, AND NOVO
POINT LLC,**

Defendants.

366 JUDICIAL DISTRICT

PLAINTIFF'S FIRST AMENDED PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff files this lawsuit against Defendants Jeffrey Harbin, Jeffrey Baron, The Village Trust, Quantec LLC, Novo Point, LLC, as follows:

PARTIES

1. This lawsuit should be governed by Level II.
2. Plaintiff is a resident of Collin County Texas. Jurisdiction and venue are proper in the Court.
3. Defendant Harbin is a resident of Dallas County, Texas, and may be served where he is found or at his residence 6503 Camille Ave., Dallas, Texas 75252.
4. Defendant Baron is a resident of Dallas County, Texas, and may be served where he is found or at his residence 2200 E. Trinity Mills Road, Carrollton, Texas 75006.
5. Defendant The Village Trust, is a Cook Islands trust acting by and through its sole beneficiary, Baron. The "nominal" Trustee of the Trust is Mr. Brian Mason who is located at Asia Trust Ltd, Level 2, BCI House, P.O Box 822, Rarotonga, Cook Islands. Corporate

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 HANNAH KUNKLE
 DISTRICT CLERK
 COLLIN COUNTY, TEXAS
 BY *Kellene*

formalities have been ignored such that service on Defendant Baron, the sole beneficiary of the trust and the person directing its activities, is sufficient to constitute service of citation on The Village Trust. In addition, the Trust has consented to jurisdiction of the State of Texas by participating in legal proceedings in Texas, maintaining an office in Texas, and allowing Baron to manipulate the form of the Trust as part of his scheme to defraud creditors of the bankruptcy of one of his companies, Ondova Limited.

6. Quantec LLC is one of the shell entities controlled by Baron and, upon information and belief, is used as a shell entity to hide assets from Baron's creditors and creditors of Baron's former company, Ondova Limited. Quantec LLC is managed by Defendant Harbin. Corporate formalities have been disregarded and Baron directs and controls the activities of Quantec by and through Harbin, such that service on Harbin, the "Managing Agent" of Quantec LLC is sufficient to constitute service of citation on Quantec LLC.

7. Novo Point LLC is one of the shell entities controlled by Baron and, upon information and belief, is used as a shell entity to hide assets from Baron's creditors and creditors of Baron's former company, Ondova Limited. Novo Point LLC is managed by Defendant Harbin. Corporate formalities have been disregarded and Baron directs and controls the activities of Novo Point LLC by and through Harbin, such that service on Harbin, the "Managing Agent" of Novo Point LLC is sufficient to constitute service of citation on Novo Point LLC.

FACTS

8. Defendant Baron is a liar, cheat and thief. For more than three years he has embarked upon a plan and scheme to use shell companies and The Village Trust to defraud creditors and to circumvent orders from federal District Court and Bankruptcy Court judges.

Specifically, Baron-through his shell companies Quantec LLC and Novo Point LLC and the Village Trust- and with the assistance of Harbin routinely hire attorneys to represent their illegal interests then promptly refuse to pay them for the services rendered. Baron has been noted as a vexatious litigant by more than one Court, he has been accused of seeking to defraud creditors in a pending bankruptcy and he has violated court orders restricting his further ability to hire more lawyers. At the present time more than 15 lawyers and law firms are seeking recovery of money, ordered to be set aside by court order, for legal services rendered to Baron and The Village Trust and other entities controlled by Baron.

9. Baron, acting on his own behalf and on behalf of the entities he controls, and Harbin as the "Managing Agent" for Quantec LLC, and Novo Point, LLC hired Plaintiff as General Counsel for a minimum 3 month engagement. Defendants made promises to Plaintiff that he would be paid, that sufficient cash resources existed for him to be paid and that the operation Baron was running was adequately funded and presented an ongoing, viable business opportunity. However, none of that was true. Moreover, Defendants concealed from Plaintiff the true objective of their enterprise which was to circumvent court orders, continue a pattern of theft of legal services, and seek to disregard and flaunt court orders from federal District Court and Bankruptcy Court Judges. Based upon the promises made and without the benefit of the information withheld from him, Plaintiff left his law firm position and began work for Defendants on November 1, 2010. Before doing so, Plaintiff negotiated and the parties agreed to an engagement agreement with a minimum three month term.

10. Immediately upon reporting to work on November 1, 2010, Defendants changed the scope of Plaintiff's assignments. Instead of performing services as General Counsel for Quantec and Novo Point, Plaintiff was instructed by Baron to violate court orders, engage in

numerous questionable, if not fraudulent, transactions, and specifically assist him as he sought to steal legal services from private attorneys working for him directly and for his shell companies. The primary objective of Baron's conspiracy was to leverage the stolen legal services from *current* attorneys to pay as little money as possible to *previous* attorneys who were making claims against him and his shell companies in related litigation.

11. The second, and perhaps more egregious objective of Baron's conspiracy was the fact that Baron, upon information and belief, operated his shell companies- with the assistance of Harbin- as a common enterprise; moving money from one entity to another and directing the activities of all of the entities solely for his personal best interests in an attempt to emerge with ample financial resources from the shell entities to reconstitute his bankrupt company, Ondova Limited.

12. Once Plaintiff started to work for Defendants, Harbin became unavailable to Plaintiff. Harbin refused to take Plaintiff's calls or respond to emails. Also, Harbin refused to formally sign the engagement agreement that had been negotiated and agreed to by all parties.

13. The first payment due Plaintiff was due on November 15, 2010, and Harbin refused to pay it. His refusal is without cause or justification. Defendants refused to pay Plaintiff because he was advocating for the payment of all attorneys rendering services to Defendants and he was not in favor of violating court orders and refused to do so. All conditions precedent to the payment obligation have been performed. Indeed, in hindsight it appears very clear that Baron and Harbin's actions were part of an overall plan and conspiracy to steal legal services, perpetrate a fraud on Plaintiff and on various courts, in addition to breaching the agreement with Plaintiff.

CAUSES OF ACTION

7. Defendants entered into an agreement with Plaintiff pursuant to which Plaintiff was to provide legal services as General Counsel for Defendants for a minimum 3 month period of time. Plaintiff started work on November 1, 2010. The first payment was due Plaintiff on or before November 15, 2010. Defendants failed to pay Plaintiff as required. Thus, Defendants have breached the engagement agreement by failing and refusing to pay Plaintiff the sums agreed upon despite Plaintiff's work for Defendant. In the alternative, Plaintiff has provided services to Defendants for which he has not been paid and recovery, via quantum meruit is appropriate.

8. Defendant Harbin, acting individually and on behalf of the entities he managed, and Baron, acting individually and on behalf of the entities he controlled: The Village Trust, Quantec LLC and Novo Point LLC, made numerous false and misleading statements intended to induce Plaintiff to leave his law firm position to take the position of General Counsel for Defendants' various companies. At the time Defendants made such representations, they knew or should have known such statements were false, that they had no intention of following through with any of them, including, but not limited to payment to Plaintiff for services provided. In fact, Defendants expressly concealed from Plaintiff their pattern and practice of regularly hiring attorneys, requiring them to perform a great deal of work in a short period of time, and refusing to pay for such services, or their plan to seek to circumvent federal court orders. ***Defendants regularly lie, cheat and steal professional services!*** Plaintiff has suffered actual and consequential damages as a result of Defendants' fraud.

9. Defendants' actions were carried out intentionally, with malice and a specific intent to deceive. As a result the imposition of punitive damages is warranted.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiff respectfully requests that this Court, after final trial award: actual damages for breach of contract, attorneys fees and court costs, all actual damages resulting from Defendants' fraud, and an appropriate sum for punitive damages to punish and deter Defendants from continuing their fraudulent practices. Total damages sought will be no less than \$1,000,000.00.

Respectfully submitted,

By: Robert J. Garrey

Robert J. Garrey, P.C.
State Bar No. 07703420

114 Salsbury Cir.
Murphy, Texas 75094
(214) 478 9625 (Telephone)
bgarrey@gmail.com

EXHIBIT "C"

Stanley D. Broome
BROOME LAW FIRM, PLLC
105 Decker Court, Suite 850
Irving, TX 75062
214-574-7500 – Telephone
214-574-7501 – Facsimile
Email: SBroome@Broomelegal.com

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	CASE NO. 09-34784-sgj-11
	§	Chapter 11
ONDOVA LIMITED COMPANY,	§	
	§	
Debtor.	§	CIVIL ACTION NO.
_____	§	ADV. NO. 10-03281-sgj
JEFF BARON	§	
	§	
Plaintiff,	§	
	§	
vs.	§	
	§	
GERRIT PRONSKE, INDIVIDUALLY	§	
and PRONSKE & PATEL, P.C.	§	
	§	
Defendants.	§	

STANLEY D. BROOME’S MOTION TO WITHDRAW AS ATTORNEY OF RECORD

(FILED SUBJECT TO MOTION TO REMAND)

Stanley D. Broome asks this court to allow him to withdraw as attorney in charge for Plaintiff, Jeff Baron.

1. This motion is filed subject to the pending motion to remand and while the case is abated pending an agreed mediation.
2. Plaintiff is Jeff Baron. Defendant is Gerrit Pronske, Individually and Pronske & Patel, P.C.

3. Plaintiff sued Defendant in State Court for unconscionable fee, failure to agree upon the terms in advance, failure to properly handle the legal representation and full disgorgement of fees.

4. There is good cause for this court to grant the motion to withdraw because Plaintiff has not paid the movant's attorney's fees as agreed.

5. This case is currently abated pending a decision on the previously filed motion to remand and an agreed mediation. Jeff Baron and Defendant have agreed to mediate this dispute before an agreed mediator, Joyce Lindauer, on December 3, 2010. Ms. Lindauer's office information is 8140 Walnut Hill Lane, Suite 301, Dallas, TX 75231, telephone 972-503-4033 and facsimile 972-503-4034. Movant has made Jeff Baron and his new counsel, Sid Chesnin, aware of this date and served them with a copy of this pleading. There are no other pending deadlines.

6. Counsel for the Plaintiff has delivered a copy of this motion to Plaintiff Jeffrey Baron and his new counsel, Sid Chesnin, and has notified them in writing of the right to object to the motion.

7. Jeff Baron and his new counsel, Sid Chesnin, were provided a copy of this motion in advance and object to the motion.

CONCLUSION

8. Stanley D. Broome is requesting that this Court allow him to withdraw as attorney in record for Plaintiff due to the fact that the Plaintiff has failed to pay movant's legal fees in this matter. For this reason, Stanley D. Broome asks this court to grant his Motion to Withdraw as attorney in charge for Plaintiff.

Respectfully submitted,

BROOME LAW FIRM, PLLC

/s/ Stanley Broome

Stanley Broome

State Bar No. 24029457

Broome Law Firm, pllc
105 Decker Court, Suite 850
Las Colinas TX 75062
214-574-7500 Telephone
214-574-7501 Facsimile
Attorney for Plaintiff Jeff Baron

CERTIFICATE OF CONFERENCE

I hereby certify that counsel for the movant and Gerrit Pronske, counsel for the Defendants, conducted a conversation on November 17, 2010 and there is no objection to this Motion to Withdraw.

/s/ Stanley Broome

Stanley Broome

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of Notice of Hearing was served on 23rd day of November 2010 on all counsel of record via the Court's ECF System and in the manner shown below:

VIA REGULAR MAIL AND ELECTRONIC MAIL

To: Gerrit Pronske
Pronske & Patel, P.C.
2200 Ross Avenue, Suite 5350
Dallas, Texas 75201

And by CM RRR and E-Mail to:

Jeff Baron (CM RRR 7008 1140 0002 5072 1767)
2828 Trinity Mills Road, Ste 130
Carrollton, TX 75006

Sid Chesnin (CM RRR 7008 1140 0002 5072 1774)
Attorney for Jeff Baron
4841 Tremont Street, Ste 9
Dallas, TX 75246

Joyce Lindauer (CM RRR 7008 1140 0002 5072 1781)
Mediator
8140 Walnut Hill Lane, Ste 301
Dallas, TX 75231

/s/ Stanley Broome
Stanley Broome

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE INC.,	§	
MANILA INDUSTRIES, INC.; and	§	
MUNISH KRISHAN	§	
	§	
Plaintiffs,	§	
vs.	§	CIVIL ACTION NO. 3-09CV0988-F
	§	
JEFFREY BARON and	§	
ONDOVA LIMITED COMPANY,	§	
Defendants	§	

ORDER APPOINTING RECEIVER

The Court hereby appoints a receiver and imposes an ancillary relief to assist the receiver as follows:

APPOINTMENT OF RECEIVER

IT IS HEREBY ORDERED that Peter S. Vogel is appointed Receiver for Defendant Jeffrey Baron with the full power of an equity receiver. The Receiver shall be entitled to possession and control over all Receivership Assets, Receivership Parties and Receivership Documents as defined herein, and shall be entitled to exercise all powers granted herein.

RECEIVERSHIP PARTIES, ASSETS, AND RECORDS

IT IS FURTHER ORDERED that the Court hereby takes exclusive jurisdiction over, and grants the Receiver exclusive control over, any and all "Receivership Parties", which term shall include Jeffrey Baron and the following entities:

- Village Trust, a Cook Islands Trust
- Equity Trust Company IRA 19471
- Daystar Trust, a Texas Trust
- Belton Trust, a Texas Trust
- Novo Point, Inc., a USVI Corporation
- Iguana Consulting, Inc., a USVI Corporation
- Quantec, Inc., a USVI Corporation
- Shiloh, LLC, a Delaware Limited Liability Company
- Novquant, LLC, a Delaware Limited Liability Company

Manassas, LLC, a Texas Limited Liability Company
Domain Jamboree, LLC, a Wyoming Limited Liability Company
ID Genesis, LLC, a Utah Limited Liability Company

and any entity under the direct or indirect control of Jeffrey Baron, whether by virtue of ownership, beneficial interest, a position as officer, director, power of attorney or any other authority or right to act. The Court hereby enjoins any person from taking any action based upon any presently existing directive from any person other than the Receiver with regard to the affairs and business of the Receivership Parties, including but not limited to proceeding with the transfer of a portfolio of internet domain names ("Domain Names") for which Ondova Limited Company ("Ondova") acted as registrar. Specifically, but without limitation, VeriSign Inc and The Internet Corporation for Assigned Names and Numbers ("ICANN"), and any other entity connected to the transfer of the Domain Names, shall immediately cease such efforts and shall terminate any movement of the Domain Names.

IT IS FURTHER ORDERED that the Court hereby takes exclusive jurisdiction over, and grants the Receiver exclusive control over, any and all "Receivership Assets", which term shall include any and all legal or equitable interest in, right to, or claim to, any real or personal property (including "goods," "instruments," "equipment," "fixtures," "general intangibles," "inventory," "checks," or "notes" (as these terms are defined in the Uniform Commercial Code)), lines of credit, chattels, leaseholds, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and all cash, wherever located, and further including any legal or equitable interest in any trusts, corporations, partnerships, or other legal entities of any nature, that are:

1. owned, controlled, or held by, in whole or in part, for the benefit of, or subject to access by, or belonging to, any Receivership Party;
2. in the actual or constructive possession of any Receivership Party; or
3. in the actual or constructive possession of, or owned, controlled, or held by, or subject to access by, or belonging to, any other corporation, partnership, trust, or any

other entity directly or indirectly owned, managed, or controlled by, or under common control with, any Receivership Party, including, but not limited to, any assets held by or for any Receivership Party in any account at any bank or savings and loan institution, or with any credit card processing agent, automated clearing house processor, network transaction processor, bank debit processing agent, customer service agent, commercial mail receiving agency, or mail holding or forwarding company, or any credit union, retirement fund custodian, money market or mutual fund, storage company, trustee, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind, either within or outside of the State of Texas.

IT IS FURTHER ORDERED that the Receiver shall be entitled to any document that any Receivership Party is entitled to possess as of the signing of this order ("Receivership Documents").

IT IS FURTHER ORDERED that all persons who receive actual notice of this Order by personal service or otherwise are hereby restrained and enjoined from:

A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any Receivership Assets.

B. Opening or causing to be opened any safe deposit boxes, commercial mail boxes, or storage facilities titled in the name of any Receivership Party, or subject to access by any Receivership Party or under any Receivership Party's control, without providing the Receiver prior notice and an opportunity to inspect the contents in order to determine that they contain no assets covered by this Section;

C. Cashing any checks or depositing any payments from customers or clients of a Receivership Party;

D. Incurring charges or cash advances on any credit card issued in the name, singly or jointly, of any Receivership Party; or

E. Incurring liens or encumbrances on real property, personal property, or other assets in the name, singly or jointly, of any Receivership Party or of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Receivership Party.

F. The funds, property, and assets affected by this Order shall include both existing assets and assets acquired after the effective date of this Order.

IT IS FURTHER ORDERED that any financial institution, business entity, or person maintaining or having custody or control of any account or other asset of any Receivership Party, or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with any Receivership Party, which is served with a copy of this Order, or otherwise has actual or constructive knowledge of this Order, shall:

A. Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge, hypothecation, encumbrance, disbursement, dissipation, conversion, sale, liquidation, or other disposal of any of the assets, funds, documents, or other property held by, or under its control:

1. on behalf of, or for the benefit of, any Receivership Party;
2. in any account maintained in the name of, or for the benefit of, or subject to withdrawal by, any Receivership Party; and
3. that are subject to access or use by, or under the signatory power of, any Receivership Party.

B. Deny any person other than the Receiver or his designee access to any safe deposit boxes or storage facilities that are either:

1. titled in the name, individually or jointly, of any Receivership Party; or
2. subject to access by any Receivership Party.

C. Provide the Receiver an immediate statement setting forth:

1. The identification number of each account or asset titled in the name, individually or jointly, of any Receivership Party, or held on behalf thereof, or for the benefit thereof, including all trust accounts managed on behalf of any Receivership Party or subject to any Receivership Party's control;

2. The balance of each such account, or a description of the nature and value of such asset;

3. The identification and location of any safe deposit box, commercial mail box, or storage facility that is either titled in the name, individually or jointly, of any Receivership Party, whether in whole or in part; and

4. If the account, safe deposit box, storage facility, or other asset has been closed or removed, the date closed or removed and the balance on said date.

D. Immediately provide the Receiver with copies of all records or other documentation pertaining to each such account or asset, including, but not limited to, originals or copies of account applications, account statements, corporate resolutions, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; and

E. Immediately honor any requests by the Receiver with regard to transfers of assets to the Receiver or as the Receiver may direct.

DUTIES OF DEFENDANTS REGARDING ASSETS AND DOCUMENTS

IT IS FURTHER ORDERED that Defendants shall:

A. Within three business days following service of this Order, take such steps as are necessary to turn over control to the Receiver and repatriate to the Northern District of Texas all Receivership Documents and Receivership Assets that are located outside of the Northern District of Texas and are held by or for the Receivership Parties or are under the Receivership Parties' direct or indirect control, jointly, severally, or individually;

B. Within three business days following service of this Order, provide Plaintiff and the Receiver with a full accounting of all Receivership Documents and Receivership Assets wherever located, whether such Documents or Assets held by or for any Receivership Party or are under any Receivership Party's direct or indirect control, jointly, severally, or individually, including the addresses and names of any foreign or domestic financial institution or other entity holding the Receivership Documents and Receivership Assets, along with the account numbers and balances; and

D. Immediately following service of this Order, provide Plaintiff and the Receiver access to Defendants' records and Documents held by Financial Institutions or other entities, wherever located.

POWERS AND DUTIES OF RECEIVER

IT IS FURTHER ORDERED that the Receiver shall immediately present a sworn statement that he will perform his duties faithfully and shall post a cash deposit or bond in the amount of \$1,000.

IT IS FURTHER ORDERED that in addition to all powers granted in equity to receivers, the Receiver shall immediately have the following express powers and duties:

A. To have immediate access to any business premises of the Receivership Party, and immediate access to any other location where the Receivership Party has conducted business and where property or business records are likely to be located.

B. To assume full control of the Receivership Party by removing, as the Receiver deems necessary or advisable, any director, officer, independent contractor, employee or agent of the Receivership Party, including any Defendant, from control of, management of, or participation in, the affairs of the Receivership Party;

C. To take exclusive custody, control, and possession of all assets and documents of, or in the possession, custody or under the control of, the Receivership Party, wherever

situated, including without limitation all paper documents and all electronic data and devices that contain or store electronic data including but not limited to computers, laptops, data storage devices, back-up tapes, DVDs, CDs, and thumb drives and all other external storage devices and, as to equipment in the possession or under the control of the Receivership Parties, all PDAs, smart phones, cellular telephones, and similar devices issued or paid for by the Receivership Party.

D. To act on behalf of the Receivership Party and, subject to further order of the Court, to have the full power and authority to take all corporate actions, including but not limited to, the filing of a petition for bankruptcy as the authorized responsible person as to the Receivership Party, dissolution of the Receivership Party, and sale of the Receivership Party.

E. To divert mail.

F. To sue for, collect, receive, take in possession, hold, and manage all assets and documents of the Receivership Party and other persons or entities whose interests are now held by or under the direction, possession, custody or control of the Receivership Party.

G. To investigate, conserve, hold, and manage all Receivership Assets, and perform all acts necessary or advisable to preserve the value of those assets in an effort to prevent any irreparable loss, damage or injury to consumers or to creditors of the Receivership Party including, but not limited to, obtaining an accounting of the assets, and preventing transfer, withdrawal or misapplication of assets.

H. To enter into contracts and purchase insurance as advisable or necessary.

I. To prevent the inequitable distribution of assets and determine, adjust, and protect the interests of creditors who have transacted business with the Receivership Party.

J. To manage and administer the business of the Receivership Party until further order of this Court by performing all incidental acts that the Receiver deems to be advisable or necessary, which include retaining, hiring, or dismissing any employees, independent contractors, or agents.

K. To choose, engage, and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists (collectively, "Professionals"), as each Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order.

L. To make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order.

M. To institute, compromise, adjust, defend, appear in, intervene in, or become party to such actions or proceedings in state, federal or foreign courts that each Receiver deems necessary and advisable to preserve or recover the assets of the Receivership Party or that each Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order, including but not limited to, the filing of a petition for bankruptcy.

N. To conduct investigations and to issue subpoenas to obtain documents and records pertaining to, or in aid of, the receivership, and conduct discovery in this action on behalf of the receivership estate.

O. To consent to the dissolution of the receivership in the event that the Plaintiff may compromise the claim that gave rise to the appointment of the Receiver, provided, however, that no such dissolution shall occur without a motion by the Plaintiff and service provided by the Plaintiff upon all known creditors at least thirty days in advance of any such dissolution.

LIMITATION OF RECEIVER'S LIABILITY

IT IS FURTHER ORDERED that except for an act of gross negligence, the Receiver and the Professionals shall not be liable for any loss or damage incurred by any of the Receivership Parties, their officers, agents, servants, employees and attorneys or any other person, by reason of any act performed or omitted to be performed by the Receiver and the Professionals in connection with the discharge of his or her duties and responsibilities. Additionally, in the

event of a discharge of the Receiver either by dissolution of the receivership or order of this Court, the Receiver shall have no further duty whatsoever.

PROFESSIONAL FEES

IT IS FURTHER ORDERED that each Receiver and his professionals, including counsel to the Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, which compensation shall be derived exclusively from the assets now held by, or in the possession or control of, or which may be received by the Receivership Party or which are otherwise recovered by the Receiver, against which the Receiver shall have a first and absolute administrative expense lien. The Receiver shall file with the Court and serve on the parties a fee application with regard to any compensation to be paid to professionals prior to the payment thereof.

COOPERATION WITH RECEIVER

IT IS FURTHER ORDERED that the Defendants and all other persons or entities served with a copy of this Order shall fully cooperate with and assist the Receiver. This cooperation and assistance shall include, but not be limited to, providing any information to the Receiver that the Receiver deems necessary to exercising the authority and discharging the responsibilities of the Receiver under this Order; providing any password required to access any computer, electronic account, or digital file or telephonic data in any medium; turning over all accounts, files, and records including those in possession or control of attorneys or accountants; and advising all persons who owe money to the Receivership Party that all debts should be paid directly to the Receiver. Defendants are hereby temporarily restrained and enjoined from directly or indirectly:

- A. Transacting any of the business of the Receivership Party;

B. Destroying, secreting, defacing, transferring, or otherwise altering or disposing of any documents of the Receivership Party including, but not limited to, books, records, accounts, writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations, electronically-stored records, or any other papers of any kind or nature;

C. Transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any assets owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by, the Receivership Party or the Receiver;

D. Drawing on any existing line of credit available to Receivership Party;

E. Excusing debts owed to the Receivership Party;

F. Failing to notify the Receiver of any asset, including accounts, of the Receivership Party held in any name other than the name of any of the Receivership Party, or by any person or entity other than the Receivership Party, or failing to provide any assistance or information requested by the Receiver in connection with obtaining possession, custody or control of such assets;

G. Doing any act that would, or failing to do any act which failure would, interfere with the Receiver's taking custody, control, possession, or management of the assets or documents subject to this receivership; or to harass or interfere with the Receiver in any way; or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Party; or to refuse to cooperate with the Receiver or the Receiver's duly authorized agents in the exercise of their duties or authority under any Order of this Court; and

H. Filing, or causing to be filed, any petition on behalf of the Receivership Party for relief under the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330 (2002), without prior permission from this Court.

IT IS FURTHER ORDERED that:

A. Immediately upon service of this Order upon them, or within such period as may be permitted by the Receiver, Defendants or any other person or entity shall transfer or deliver possession, custody, and control of the following to the Receiver:

1. All assets of the Receivership Party, including, without limitation, bank accounts, web sites, buildings or office space owned, leased, rented, or otherwise occupied by the Receivership Party;

2. All documents of the Receivership Party, including, but not limited to, books and records of accounts, legal files (whether held by Defendants or their counsel) all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, title documents, and other papers;

3. All of the Receivership Party's accounting records, tax records, and tax returns controlled by, or in the possession of, any bookkeeper, accountant, enrolled agent, licensed tax preparer or certified public accountant;

4. All loan applications made by or on behalf of Receivership Party and supporting documents held by any type of lender including, but not limited to, banks, savings and loans, thrifts or credit unions;

5. All assets belonging to members of the public now held by the Receivership Party; and

6. All keys and codes necessary to gain or secure access to any assets or documents of the Receivership Party including, but not limited to, access to their business premises, means of communication, accounts, computer systems or other property;

B. In the event any person or entity fails to deliver or transfer any asset or otherwise fails to comply with any provision of this Paragraph, the Receiver may file ex parte an Affidavit of Non-Compliance regarding the failure. Upon filing of the affidavit, the Court may authorize, without additional process or demand, Writs of Possession or Sequestration or other equitable

writs requested by the Receivers. The writs shall authorize and direct the United States Marshal or any sheriff or deputy sheriff of any county, or any other federal or state law enforcement officer, to seize the asset, document or other thing and to deliver it to the Receivers.

IT IS FURTHER ORDERED that, upon service of a copy of this Order, all banks, broker-dealers, savings and loans, escrow agents, title companies, leasing companies, landlords, ISOs, credit and debit card processing companies, insurance agents, insurance companies, commodity trading companies or any other person, including relatives, business associates or friends of the Defendants, or their subsidiaries or affiliates, holding assets of the Receivership Party or in trust for Receivership Party shall cooperate with all reasonable requests of each Receiver relating to implementation of this Order, including freezing and transferring funds at his or her direction and producing records related to the assets of the Receivership Party.

STAY OF ACTIONS

IT IS FURTHER ORDERED that:

A. Except by leave of this Court, during the pendency of the receivership ordered herein, all other persons and entities aside from the Receiver are hereby stayed from taking any action to establish or enforce any claim, right, or interest for, against, on behalf of, in, or in the name of, the Receivership Party, any of their partnerships, assets, documents, or the Receiver or the Receiver's duly authorized agents acting in their capacities as such, including, but not limited to, the following actions:

1. Commencing, prosecuting, continuing, entering, or enforcing any suit or proceeding, except that such actions may be filed to toll any applicable statute of limitations;
2. Accelerating the due date of any obligation or claimed obligation; filing or enforcing any lien; taking or attempting to take possession, custody or control of any asset;

attempting to foreclose, forfeit, alter or terminate any interest in any asset, whether such acts are part of a judicial proceeding or are acts of self-help or otherwise;

3. Executing, issuing, serving or causing the execution, issuance or service of, any legal process including, but not limited to, attachments, garnishments, subpoenas, writs of replevin, writs of execution, or any other form of process whether specified in this Order or not; and

4. Doing any act or thing whatsoever to interfere with the Receiver taking custody, control, possession, or management of the assets or documents subject to this receivership, or to harass or interfere with the Receiver in any way, or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Party;

B. This Order does not stay:

1. The commencement or continuation of a criminal action or proceeding;
and

2. Except as otherwise provided in this Order, all persons and entities in need of documentation from the Receiver shall in all instances first attempt to secure such information by submitting a formal written request to the Receiver, and, if such request has not been responded to within 30 days of receipt by the Receiver, any such person or entity may thereafter seek an Order of this Court with regard to the relief requested.

JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

SO ORDERED, this 24th day of November, 2010



JUDGE PRESIDING

EXHIBIT C

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I. INTRODUCTION

David J. Sherman is the bankruptcy trustee (“Trustee” or “Bankruptcy Trustee”) appointed in September 2009 to operate Ondova Limited Company (“Ondova” or “Debtor”), a business formerly managed by Baron. Mr. Sherman faced a monumental task when he was appointed. That task was to end seven lawsuits pending in jurisdictions around the United States and settle very large claims filed in the Ondova bankruptcy case itself.

Mr. Sherman was successful.

The settlement, approved by the Bankruptcy Court in late July, 2010, settled: (a) litigation pending in this Court; (b) two lawsuits pending in Virgin Islands District Court; (c) one suit pending in Federal District Court for the Central District of California (Los Angeles) (d) one suit pending in the Superior Court of the State of California (Los Angeles); and (e) two lawsuits pending in the 68th Judicial District Court of Dallas County, Texas. The settlement also resolved sizable claims asserted by various parties in the Bankruptcy case itself.

The lawsuits Mr. Sherman settled had been ongoing since 2006. The lawsuits were so complex that they are hard to summarize in this pleading. They involved five principal parties — Baron, Munish Krishan (“Krishan”) of Newport Beach, California, certain Virgin Islands entities established in 2005 as part of a structure created by Baron and Mr. Krishan to take advantage of favorable tax benefits offered by the Virgin Islands Economic Development Authority and certain entities from the Cook Islands created by Baron and Krishan to protect their assets and reduce U.S. taxes. The fifth party was Mr. Sherman himself, representing the creditors of Ondova, the entity he was trustee over. The Ondova creditors were in two categories: (1) attorneys Mr. Baron hired and fired and never paid, and (2) companies who sued Mr. Baron because he infringed on trademarks.

The Trustee learned early in his fiduciary capacity that Baron had retained over twenty different attorneys to handle litigation matters prior to Ondova's bankruptcy. Most of these attorneys only stayed on for mere weeks or months. Lawyers representing other parties approached the Trustee after his appointment to advise him that Baron's hiring and firing of lawyers was a litigation tactic used to delay and disrupt the various lawsuits. These other lawyers who approached the Trustee noted that this type of activity, never before seen by these very experienced lawyers, was driving the costs of the litigation up and causing unbreakable litigation gridlock. The hiring and firing of lawyers could be documented through the docket sheets and pleadings of these various other cases.

Notwithstanding these types of challenges and the complexity of the litigation, Mr. Sherman and undersigned counsel, embarked on months and months of non-stop settlement discussions with all of the parties, and with the guidance of this Court, and the Bankruptcy Court, a settlement was finally reached in late June, 2010. The global settlement was approved by the Bankruptcy Court on July 28, 2010. Mr. Sherman successfully implemented the complex settlement in August and September 2010. Almost immediately after the settlement was approved and as Mr. Sherman was consummating its various provisions, Baron was unhappy with the lawyer who had assisted him for almost a year in settlement negotiations, Gerrit Pronske. Mr. Pronske, unpaid, promptly sought to withdraw as counsel. Mr. Pronske's departure disrupted a number of post-settlement issues and further resulted in a huge pile-up of Baron attorneys coming and going. Following Mr. Pronske's departure, eight (8) new lawyers appeared for Baron (Ferguson, Thomas, Broome, Garrey, Eckels, Cox, Chesnin and Schepps). Although some of these lawyers have different roles, they all operate at the instruction of Mr. Baron. Four of these new lawyers have quit since September, 2010 due to non-payment.

The hiring and firing of lawyers has caused disruption and delay in the Trustee's efforts to wind down the bankruptcy case. The appointment of a receiver over Mr. Baron was first addressed

by this Court in July 2009. The creation of a receivership was frequently publicly considered an option by both this Court and the Bankruptcy Court. Both the District Court and the Bankruptcy Court witnessed first hand the delay and disruption caused by Baron's tactics. Both courts issued orders regarding Baron's conduct however Baron failed to get the message. The hiring and firing of lawyers continues to this day.

II. HISTORICAL BACKGROUND OF LITIGATION

The Receivership being challenged was created by a Court which had been dealing with Jeffrey Baron for a significant period of time. The District Court Litigation was initially filed in May, 2009. The District Court Litigation stems from a fairly common occurrence – a soured joint venture between two business partners. But when this joint venture went bad, so much money was at stake that the litigation that ensued was staggering. Lawsuits in Texas, California and the Virgin Islands were filed and litigated aggressively and with little regard for cost. Six separate lawsuits were ongoing simultaneously around the United States costing parties a fortune and wasting judicial resources. Not until the District Court and Bankruptcy Court stepped in, did a resolution of the mind-blowing and gridlocked litigation appear possible. As a result of the Trustee's efforts, in the summer of 2010, the litigation was settled in the Bankruptcy Case. Since then, the Trustee has been diligently working towards wrapping up the Ondova bankruptcy estate but the hiring and firing of lawyers by Mr. Baron continues. The hiring and firing has caused delays and disruption.

Ondova was a domain name registrar started by Jeffrey Baron in May, 2000. Ondova acted as a registrar for parties seeking to register domain names on the internet. Its principal, Baron, had accumulated a large number of internet domain names during the early days of the internet.

In 2005, Mr. Baron and Krishan decided to join their businesses to form a joint venture. Krishan also operated an internet domain name registration and monetization business. Through his

companies, Manila Industries, Inc. (“Manila”) and Netsphere, Inc., (“Netsphere”) Mr. Krishan had developed a successful business in domain monetization as well as operating websites.

In 2005, Baron and Krishan began the process of establishing a joint venture in which they would utilize their respective assets and business skills to build a profitable domain name business. Baron and Krishan envisioned an operating business owning one million internet domain names. These domain names earn revenues from advertising pages similar to the advertising revenue earned by Google, Inc. Many of the domain names were created using complex mathematical and algorithm formulas in order to generate the highest possible revenue. Included in the joint venture were certain domain names created by Baron during the early days of the internet, called the “Blue Horizons” names. These names have both high revenue potential and can be sold individually — sometimes for in excess of \$1 million a piece.

In the course of planning for their partnership, Baron and Krishan sought advice for creation of a tax efficient structure for their business and personal assets to minimize tax risk and liability. In 2005, Baron and Krishan agreed to establish their joint venture in the United States Virgin Islands through an economic development program structure then offered by the Virgin Islands. They created the necessary corporate entities to take advantage of the low tax rates offered by United States Virgin Islands Economic Development Program Structure (“USVI Structure”) and the newly formed joint operation was to begin business on January 1, 2006.

The structure that was developed by Baron and Krishan also involved the creation of Virgin Island entities and certain trusts domiciled in the Cook Islands. This structure was complex and involved the creation of approximately fifteen entities. A chart showing the structure created by Baron and Krishan is attached as Exhibit 1. The entities that controlled and operated the domain names included The Village Trust, HCB LLC, Realty Investment Management, LLC, and

Blue Horizon Limited Liability Company. There were a number of other entities above those three businesses which held and controlled the internet domain names.

Almost immediately after its inception, disputes developed between Baron and Krishan regarding operation of the new business. There were accusations that revenue generated by the domain names was not being equally divided. Based on information obtained by the Bankruptcy Trustee, the internet domain names earned a large amount of income. Although the Trustee does not have all of the information regarding revenue earned, one chart produced during the pendency of the case reflected \$29 million in revenue from January, 2006 through October, 2009.

The litigation which began in November, 2006 occurred as a result of a transfer, or repossession, of the internet domain names by Baron. Specifically, on November 13, 2006, without Krishan's permission, Baron changed the IP addresses and the name servers for the internet domain names to a new entity under the control of Baron. As a result, Mr. Krishan and his entities no longer had any control of the web pages or the revenue generated therefrom. On November 15, 2006, Mr. Krishan and his related entities filed a complaint in the United States District Court for the Central District of California entitled Manila Industries, Inc. v. Ondova Limited Company, Case No. SAC-06-1105-AG.

On November 14, 2006, Ondova commenced an action in the 68th Judicial District Court of Dallas County, Texas entitled Ondova Limited Company v. Manila Industries, Inc., Case No. 06-11717. The two cases were later consolidated in the 68th Judicial District Court before Judge Martin Hoffman.

The litigation pending before 68th District Court Judge Martin Hoffman went on for several years. The docket sheet for the case pending before Judge Hoffman is attached hereto as Exhibit 2. In addition to case pending in Dallas before Judge Hoffman, several other lawsuits were filed

related to: (a) the domain names including interpleader suits where monetization companies (such as [Oversee.net](#)) filed interpleader actions; (b) the Virgin Islands entities; (c) a joint venture called [Phonecards.com](#); and (d) many other matters. The other lawsuits include:

- a. On September 27, 2007, Simple Solutions filed a civil cause against Ondova in the District Court of the Virgin Islands, Division of St. Thomas & St. John, styled Simple Solutions, LLC vs. Ondova Limited Co, LLC d/b/a Compana, LLC, No. 3:07-CV-123.
- b. On February 12, 2007, HCB and Simple Solutions filed a civil cause against [Oversee.net](#) in the District Court of the Virgin Islands, Division of St. Thomas-St. John, styled HCB, LC and Simple Solutions, LLC, v. [Oversee.net](#), Case No. 3:07-CV-00029-CVG.
- c. On November 6, 2009 [Oversee.net](#) filed a claim for breach of contract and fraud against Simple Solutions, LLC, a USVI limited liability company, HCB, LLC, a Delaware Limited Liability Company and Does 1 to 10 in the United States District of California, Case No. CV09-08154-OOW (RZx).
- d. On November 12, 2009, Manila and Netsphere filed a civil cause against [Oversee.net](#) and Doe 1 through Doe 10 in the Superior Court of the State of California, styled Manila Industries, Inc. a California corporation; Netsphere, Inc., a Michigan corporation vs. [Oversee.net](#), a California corporation; and DOE 1 through DOE 10, inclusive, Case No. BC425821.
- e. On November 2, 2008, Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron as Beneficiary of Equity Trust Company FBO IRA 19471 filed a civil case in the 68th Judicial District, Dallas County, Texas, against Rohit Krishan, Individually and d/b/a [Callingcards.com](#), Munish Krishan and Manoj Krishan, styled Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron As Beneficiary of Equity Trust Company FBO IRA 19471 vs. Rohit Krishan, Individually and d/b/a [Callingcards.com](#), Munish Krishan and Manoj Krishan, Cause No. DC08-13925-C.

These five lawsuits, as well as the cases before this Court and Judge Martin Hoffman, resulted in colossal litigation gridlock seemingly impossible to resolve. During this litigation, Mr. Baron routinely hired and fired lawyers. There were a number of mediation attempts both formal and informal. The formal mediations were with mediators Ted Akin, Sid Stahl, Cynthia Sauls and Hesha Abrams.

At a mediation which took place in Dallas, Texas, before Heshia Abrams resulted in a settlement reached on April 26, 2009. This settlement was called the Memorandum of Understanding (“MOU”). Pursuant to the MOU, the internet domain names were to be divided between the Baron parties and the Krishan parties which division was to be determined through a specific procedure set forth in detail in the MOU. The division of domain names was to occur no later than May 10, 2009, 14 days after execution of the MOU. Although Mr. Krishan and his entities timely performed under the MOU, Baron and Ondova refused to cooperate. There were certain other requirements of the MOU, however, Baron and Ondova failed to adhere to those requirements. A copy of the MOU is attached as Exhibit 3.

As a result of their breach of the MOU, Mr. Krishan, Netsphere Inc. and Manila Industries, Inc. commenced this action (“District Court Litigation”) on May 28, 2009, docketed as Court Case, Case No. 3-09-CV-0988-M.

III. EVENTS LEADING TO THE ONDOVA BANKRUPTCY CASE AND APPOINTMENT OF TRUSTEE

Ondova filed its Chapter 11 bankruptcy case in Dallas, Texas, on July 27, 2009. It appears to have been filed by Baron to evade a significant contempt sanction about to be imposed by the District Court related to Baron's breach of an Amendment to Preliminary Injunction.

The District Court Litigation began in May, 2009, and was brought by Munish Krishan and his related entities, Netsphere and Manila, as a result of Baron's failure to comply with an April 2009 settlement agreement commonly referred to as the MOU. The MOU ended six lawsuits and years of contentious litigation regarding the ownership of internet domain names.

Although initially Baron performed a few obligations under the MOU, he promptly breached and the District Court Litigation was therefore filed on May 28, 2009. The District Court entered a number of orders earlier in the case including a Preliminary Injunction on June 26, 2009, and an

Amendment to the Preliminary Injunction on July 8, 2009. In the Amendment to the Preliminary Injunction, the District Court indicated that if Baron and his related entities failed to comply with any provision of the Amendment to the Preliminary Injunction, there would be a fine of \$50,000 per day per violation. A copy of the Amended Preliminary Injunction is attached as Exhibit 4.

Baron continued to disobey provisions of the Preliminary Injunction and the Amended Preliminary Injunction and as a result of his bad faith related to discovery matters, violations of a Temporary Restraining Order and certain other orders of the Court, Netsphere and Manila filed a Motion for Contempt. The Motion for Contempt was filed on July 21, 2009, and was scheduled to be heard on July 28, 2009, at 9:30 a.m. The day before that hearing, on July 27, 2009, Ondova filed its voluntary petition under chapter 11 commencing the Ondova Bankruptcy Case. A copy of this Motion for Contempt is attached as Exhibit 5.

The Bankruptcy Case began a new chapter in the long saga of the disputes between Baron, Munish Krishan, the Virgin Islands entities and Cook Islands entities. A blizzard of pleadings was filed at the beginning of the Bankruptcy Case including an Objection to the Use of Cash Collateral, a Motion to Dismiss the Case and a Motion for Termination of the Stay in Order to allow the District Court litigation to proceed. There were several emergency hearings in the Bankruptcy Court including hearings where Baron was required to testify. A copy of the Motion for Relief from the Automatic Stay to Restore and Transfer Domain Names Pursuant to Preliminary Injunction order filed by Manila and Netsphere on August 3, 2009 and which describes the violations of Court orders by Baron is attached hereto as Exhibit 6.

The Trustee (not yet appointed) has learned that after the Bankruptcy Case was filed, Mr. Baron apparently continued his tactics to avoid responsibilities under the Preliminary Injunction and Amended Preliminary Injunction. The Bankruptcy Court granted Krishan, Netsphere and Manila, partial relief from the automatic stay to effectuate certain provisions of the preliminary

injunctions. With respect to one motion regarding whether the debtor could use cash collateral, an examination of Mr. Baron as a witness commenced on August 26, 2009. That hearing did not conclude and therefore the Bankruptcy Court continued the hearing to September 1, 2009, so that Mr. Krishan and his entities Netsphere and Manila, could conduct a cross-examination of Mr. Baron. However, one hour prior to the continued hearing, an emergency motion was filed to continue the hearing because new counsel was being employed by Mr. Baron.

In light of these developments, the Bankruptcy Court provided Mr. Baron with two options: (1) he could go forward with the hearings; or (2) the Court would exercise its powers under Section 105 of the Bankruptcy Code and appoint a Chapter 11 Trustee. Mr. Baron subsequently took the stand and provided testimony on direct and cross-examination. At the conclusion of that hearing, the Bankruptcy Court continued the hearing until September 11, 2009, at which point it advised Mr. Baron that it was entering a show cause order regarding why a Chapter 11 trustee should not be appointed. A true and correct copy of the Bankruptcy Court's Order of August 26, 2009, is attached hereto as Exhibit 7.

On September 11, 2009, the Bankruptcy Court conducted a hearing and at that hearing it appointed a chapter 11 trustee to oversee the Ondova Bankruptcy Case. The Order (1) Denying the Motion to Dismiss Bankruptcy Case Filed by Netsphere, Inc., and Manila Industries, Inc.; (2) The Appointment of a Chapter 11 Trustee; (3) Continuing Certain Hearings; (4) Setting Hearing on Emergency Motion to Withdraw as Counsel for the Debtor; and (4) Setting a Status Conference" is attached hereto as Exhibit 8.

In their Order, the Court noted a number of important matters. First, Jeffrey Baron invoked his Fifth Amendment right against self-incrimination and therefore failed to answer questions on cross-examination. The Court also stated that cause existed under 11 U.S.C. § 1104 to appoint a Chapter 11 trustee for cause including the Debtor's mismanagement and a lack of candor of

the Debtor's representative. The Court found that a Chapter 11 trustee would be in the best interest of the bankruptcy estate.

Daniel J. Sherman was later appointed Chapter 11 Trustee pursuant to an order of the Bankruptcy Court entered on September 15, 2009. Following the appointment of Mr. Sherman as Chapter 11 trustee, Mr. Sherman began administering the Ondova Bankruptcy Estate. On October 14, 2009, Mr. Sherman employed counsel to represent him, the law firm of Munsch Hardt Kopf & Harr, P.C. The employment of Munsch Hardt was approved by order entered on November 17, 2009.

IV. THE SETTLEMENT OF THE LITIGATION

After Munsch Hardt's employment, Munsch Hardt, Mr. Sherman and the special master appointed in the District Court Litigation, Peter Vogel (now Receiver), began a series of settlement negotiations in order to start the process of settling the long running litigation pending between Baron, Mr. Krishan, his entities and the other litigating parties. Unfortunately, those efforts were unsuccessful. In fact, following the conclusions of those initial settlement meetings, it appeared that the parties continued to be in unbreakable gridlock. The parties did agree however, that certain trademark litigation disputes pending against Ondova and Mr. Baron needed to be resolved. The Trustee then immediately began efforts to settle the third-party trademark lawsuits. Settlements were worked out with the University of Texas and Liberty Media Corporation and the resolution of these trademark lawsuits enabled the parties to remove what were viewed as major obstacles to the settlement talks. During the first few months after his employment, the Trustee addressed other matters including routine operational issues concerning Ondova, matters regarding executory contracts and collection of certain assets.

The Trustee began a second phase of settlement discussions on February 23, 2010. Those settlement talks, urged by the Bankruptcy Court and the District Court, went on virtually daily for

several months and finally settlement was reached in mid-June, 2010. The progress of these settlement talks were monitored both by the Bankruptcy Court and the District Court. In fact, observing a lack of progress, the District Court in May, 2010, ordered the parties (with principals in attendance) to attend a mandatory mediation with U.S. District Magistrate Judge Paul D. Stickney. Judge Stickney served as a mediator for several days in May and early June 2010. The litigation was not resolved under Judge Stickney's watch however some progress was made. Unfortunately, Judge Stickney could not continue to serve as a mediator and the parties continued settlement negotiations throughout June. Finally, in late June, 2010, after months of non-stop settlement meetings including numerous weekend meetings, a resolution was reached on approximately June 22, 2010. The Trustee's Motion to Compromise Controversy was filed on July 2, 2010 ("Settlement Motion"). A copy of the Settlement Motion is attached as Exhibit 9.

Approval of the Settlement Motion required three hearings during July, 2010. Those hearings took place on July 12, July 14th and July 22nd, 2010. Even though the Settlement Motion was pending and the settlement hearings were taking place, there still were numerous rancorous issues that needed to be ironed out. The Settlement Motion was finally approved by Order entered on July 28, 2010, a copy of which is attached as Exhibit 10.

The Settlement Motion sought approval for a settlement agreement referred to as the Mutual Settlement and Release Agreement ("Settlement Agreement"). The Settlement Agreement required the signatures of 51 parties and resolved nine (9) pending lawsuits. It provided for payments to be made by certain parties to the Ondova Bankruptcy Estate and also resulted in the waiving of numerous large claims against the Ondova bankruptcy estate. Most importantly, all claims and causes of action between the fifty-one settling parties were finally settled and waived.

The Settlement Agreement resolved a lawsuit not even connected in any way to the Ondova bankruptcy case. The Settlement Agreement settled the case commonly referred to as Phonecards.com case commenced on November 2, 2008 in the 68th Judicial Court of Dallas County, Case no. DC-08-3925-C.

A true and correct copy of the fully executed Settlement Agreement is attached hereto as Exhibit 11.

The Settlement Agreement resolved nine separate litigation matters. It ended the years of contentious litigation between Baron and his entities, Munish Krishan and his entities, Virgin Islands entities, the Cook Islands entities, and later the Trustee, representing the interest of Ondova.

Commencing with his initial appointment, the Trustee was urged by all parties that there needed to be an end to the expensive long-running litigation. Both the Bankruptcy Court and the District Court, both of which had become intimately familiar with the combative litigation between the parties, made it known their strong preference that the litigation finally end.

The Trustee believed that settlement of the litigation was the only reasonable approach for the bankruptcy estate. The Trustee analyzed all of the risks and rewards of the litigation and determined that settlement was the best option for the bankruptcy estate. Had the Trustee continued litigation on behalf of Ondova, there would likely be continued protracted litigation between the parties and it may not have resolved litigation between the Netsphere parties and Baron regarding the enforceability of the MOU. Litigation to enforce the MOU would be expensive, contentious and would cause extended delays. The expense involved to continue with litigation would have been enormous. The Trustee estimates that to enforce the MOU, the time involved could easily have been 2-3 years. Those long delays would prolong the Ondova bankruptcy case. Under the settlement that was approved by the Bankruptcy Court, the

creditors will receive an earlier return on their claims and will not be burdened by the additional delay and risk of litigation.

During September, 2010, the Trustee continued efforts to consummate the various portions of the Settlement Agreement and efforts to wind down the Ondova bankruptcy estate. During this time period however, Mr. Baron had employed certain new lawyers and his prior lawyers began asserting claims in the bankruptcy case and in state court against Mr. Baron. One law firm filed a motion for substantial contribution and thereafter two other law firms filed similar motions. This type of motion is a concern to the Trustee because these lawyers could seek and be awarded attorneys fees from the Ondova bankruptcy estate for their work for Mr. Baron. If this occurs, the Trustee will end up having a contribution or indemnity claim against Mr. Baron – which opens the door to additional litigation. To resolve this dilemma, the Bankruptcy Court issued an Order on October 12, 2010 directing Peter Vogel, then the Special Master, to be a mediator of the attorney fee disputes. A copy of Judge Jernigan's Order is attached as Exhibit 12. A copy of Judge Ferguson's Order accepting Judge Jernigan's Order is attached hereto as Exhibit 13.

Shortly thereafter, mediator Peter Vogel wrote to the various unpaid lawyers recommending that they submit to him information regarding their attorney fee claims by November 22, 2010. A number of attorneys contacted Mr. Vogel and indicated that they do not believe that the mediation will be successful because Mr. Baron does not settle any matters and refuses to pay lawyers. Those lawyers indicated that they do not wish to participate. Adding to the confusion was the fact that Baron had changed lawyers so many times that no one was representing him with respect to the legal fee mediation issues and therefore no progress was being made and Baron was not cooperating with Judge Ferguson or Judge Jernigan's Orders.

As a result of these developments, it became apparent that Mr. Baron had once again succeeded in causing delay and disruption in the administration of the case. As a result of Baron's hiring and firing of lawyers and his conduct inconsistent with Court Orders, he was causing delay and disruption to the Ondova bankruptcy estate. The mediation efforts were stalemated because Baron refused to cooperate in the process.

These events led to the Trustee's filing his Emergency Motion

V. BARON AND HIS LAWYERS

Mr. Baron's pattern of hiring and firing lawyers goes back to the beginning of his legal disputes against Mr. Krishan in 2006. Mr. Baron's pattern of hiring and firing lawyers has caused delay, disruption and additional expense of the lawsuits that Mr. Baron has been involved in.

Many of the lawyers that are no longer representing Baron have since sued him because they have not been paid outstanding legal fees. Many of the lawyers have confidentially advised the Trustee they quit because Mr. Baron would not listen to the sound legal advice that they were providing. There is clearly a pattern or a course of conduct engaged in by Mr. Baron to hire and fire lawyers in order to engage in vexatious litigation. The number of lawyers hired and fired by Mr. Baron is jaw dropping. Attached are Exhibits 14 through 17 which demonstrate the following:

- (a) Attorneys of Ondova that Mr. Baron refused to pay that filed claim in the Ondova bankruptcy case [Exhibit 14]
- (b) Attorneys employed by Baron after the Ondova bankruptcy case that Baron has refused to pay [Exhibit 15];
- (c) Attorneys who have sued Mr. Baron post-bankruptcy filing of Ondova [Exhibit 16];
- (d) Attorneys of Mr. Baron who have filed Motions in the Bankruptcy Court pursuant to 11 U.S.C. § 503(b) [Exhibit 17]

Copies of the lawsuits filed against Mr. Baron are attached hereto as Exhibit 18 through 22. Copies of motions seeking payment of legal fees owed by Mr. Baron are attached hereto as Exhibits 23 to 25. Although the list of Baron lawyers is constantly changing and frequently needs to be updated, at this time, the Trustee notes that the following attorneys have represented Mr. Baron and his related entities.

For Baron and Ondova (for Ondova during prebankruptcy period only):

Dan Altman
Gary Tucker
Christy Motley with Nace & Motley
Jeanne Crandall with Reyna, Hinds & Crandall
Randy Schaffer with Mateer & Schaffer
David Coales, Carrington Coleman
John Bickel, Bickel & Brewer
Blake Beckham, Jose Portela of The Beckham Group
Graham Taylor, Seyfarth Shaw
Jerry Mason of Martin, Mason & Stutz
Jeff Rasansky
Charla Aldous
Brian Lidji of Lidji, Dorey Hooper
Lenny Vitullo, Fee Smith Sharp and Vitullo, LLP
James Bell, Bell and Weinstein
Caleb Rawls
Lawrence Friedman, Ryan K. Lurich and James Krause of Friedman & Feiger, LLP
Jay Klein
Paul Keiffer of Wright Ginsberg & Brusilow
Steven Jones, Jones, Otjen & Davis
Kevin Thomason, Thompson Knight
Mark Taylor, Powers Taylor, LLP
Jeffrey T. Hall
David L. Pachione
Gerrit M. Pronske, Pronske & Patel
Michael B. Nelson
Stanley Broome, Broome Law Firm, PLLC
Gary Lyon
Dean Ferguson
Martin Thomas
Robert J. Garrey
Sidney Chesnin
Gary N. Schepps

Mr. Baron through his Trusts and related entities:

Elizabeth Schurig of Schurig, Jetel, Bekett, Tackett
Craig Capua and Royce West of West & Associates

Eric Taube of Hohmann, Taube & Summers
John Cone, Hitchcock Everett, LLP
James M. Eckels
Joshua Cox

During the most recent phase of the Bankruptcy case, following the approval of the Settlement Agreement, Judge Jernigan was growing increasingly frustrated by Baron's hiring and firing of lawyers. Attached as an exhibit to the Trustee's Motion is the Report and Recommendation to District Court (Judge Royal Ferguson): That Peter Vogle, Special Master, Be Authorized and Directed to Mediate Attorney Fee Issues (see Exhibit 12). In this report and recommendation, Judge Jernigan had admonished Baron and indicated that Baron's hiring and firing lawyers "has grown to a level that is more than a little disturbing".

As the Court noted in court on September 15, 2010, at the very least, it smacks of the possibility of violating Rule 11 (i.e., it suggests a pattern of perhaps being motivated by an improper purpose, such as to harass, cause delay or needlessly increase the cost of litigation for the parties). Still, more troubling is the possibility to the Court that Jeffrey Baron may be engaging in the crime of theft of services. See Texas Penal Code Sections 31.01(6) and 31.01(4). (A person commits theft of services if, with intent to avoid payment for services that he knows is provided only for compensation: (1) "he intentionally or knowingly secures performance of the service by deception, threat or false token"; (2) "services" includes professional services"). "This crime can be a misdemeanor or a felony - depending on the amount involved."

VI. THE COURTS HAVE REPEATEDLY WARNED BARON THAT HIS CONDUCT IS VEXATIOUS AND SANCTIONABLE

THE DISTRICT COURT CASE

On May 28, 2009, this lawsuit was filed against Baron and Ondova. Anthony L. Vitullo was the first lawyer to appear for Mr. Baron. He filed a Motion to Dismiss on June 18, 2009.¹ The next day, Caleb Rawls of Godwin Pappas & Ronquillo and James Bell of Bell & Weinstein entered an appearance on behalf of Baron at the first status conference. Already familiar with some of the procedural history the Court gave counsel this warning at the June 19 status conference:

"So I'll tell you what. I am going to stay in this case through the preliminary injunction, and there is an order entered. Nobody can violate it. Anybody violates it, you are all paying big dollars. Not only corporately but personally also. You want to challenge the court order, I have the marshals behind me. I can come to your house, pick you up, put you in jail. I can seize your property, do anything I need to do to enforce my orders. I'm telling you don't screw with me. You are a fool, a fool, a fool, a fool to screw with a federal judge, and if you don't understand that, I can make you understand it. I have the force of the Navy, Army, Marines and Navy behind me. There is a lot of playing games. Both sides are probably completely complicit. But it's time to resolve this. If you don't want to resolve it, I can put you in jail. I can hold you six months, twelve months, eighteen months, and I can do that, and if you want me to do it, I will be glad to do it, but you need to be serious about this. There is a problem here that I do not understand. It's really beyond my comprehension, and I actually am not a completely dumb person. So you need to get this resolved. (Distr. Dkt. 26, p. 49, lines 15-25; p. 50, lines 1-11: Exhibit 26).

"...once the Court steps in, that's it, and I've got this case, and I'm keeping it. So you want to screw with me, have at it. But I can put you in jail, and I will do it, and I can also take all of your money away from you. I can look at all of your financial statements. I can take every penny you've got if I think you are doing stuff that's unlawful, illegal, fraudulent and whatever. So let's don't test me here. And at the same time if you think you are right, litigate it. Litigate it to the cows come in, but don't screw with the courts." (Distr. Dkt. 26, p. 52, lines 1-11: Exhibit 26)

¹ The Court has recognized on numerous occasions that Mr. Baron had hired and fired no less than five previous attorneys in the underlying litigation leading up to this present matter. See e.g. (Distr. Dkt. 38-2, p. 54, lines 16-18).

Three days later Mr. Baron fired all of these lawyers and hired Lawrence Friedman, James Krause, Ernest Leonard, and Ryan Lurich (Friedman & Feiger, L.L.P.), who filed their notice of appearance on June 23, 2009. (Distr. Dkt. 15 and 18: Exhibits 27 and 28).

On June 26, 2009, this Court entered a Preliminary Injunction. By July 1, 2009, when the Court convened another Status Conference, there were already allegations that Preliminary Injunction had been violated. The Court addressed the already rapid turnover of counsel. The Court said: "First of all, I need to make sure that you [Mr. Krause] stay in the case. I don't want a ninth set of lawyers in the case." (Distr. Dkt. 38-2, p.54, lines 16-18: Exhibit 29). The Court then ordered Baron place \$50,000, nonrefundable funds, in trust for the payment of attorneys' fees, with such funds to be replenished in \$50,000 increments upon depletion. (Distr. Dkt. 38-2, p.54, lines 19-25; p.55, lines 1-22: Exhibit 29). Having provided for secure payment to the new lawyers the Court then warned them not to withdraw: "[b]y the way, you [Friedman and Feiger] are not getting out of this case. So I don't want to see any motion to withdraw." (Distr. Dkt. 38-2, p.55, lines 16-22: Exhibit 29). Even with these orders, the Court expressed some doubt about their effectiveness against Baron. "I'm very concerned that no matter what I do, Baron is not going to pay attention." (Distr. Dkt. 38-2 p. 52, lines 18-20: Exhibit 29).

A third Status Conference was held on July 9, 2009. At that conference Mr. Baron's counsel informed the Court that Mr. Baron had hired yet another lawyer, Jay Kline, Jr., to act as "general counsel." (Distr. Dkt. 39-2, p. 14, lines 5-9: Exhibit 30). The Court telephoned Mr. Kline during the hearing to advise him to avoid interfering in the litigation:

Mr. Kline, this is Judge Furgeson from federal court. I'm calling you to tell you you maybe under some confusion representing Ondova and Mr. Baron, but anything that involves litigation in my Court should be coordinated through Mr. Lurich and Mr. Krause. An e-mail was sent out this last night to we think monetization firms that was not agreed to by the parties, and so I've got to put you in touch with Mr. Lurich and Mr. Krause as soon as possible. If you have any questions about how this is to be arranged or done, we can have a hearing in my court this afternoon or in the

next several days so that I can give you clear instructions about what you are supposed to do. But you are not to do anything in regard to the pending litigation. (Distr. Dkt. 39-2, p.18, lines 1-14: Exhibit 30).

The Court's reason was clear: "I don't need a lot of chefs in the kitchen." (Distr. Dkt. 39-2, p. 19, lines 12-13: Exhibit 30).

On July 21, 2009 the Plaintiffs filed their Motion for Sanctions and Contempt (Distr. Dkt. 41). Just six days later, the day before the hearing on that Motion, Ondova filed a Chapter 11 bankruptcy proceeding (Distr. Dkt. 48).

At the July 28, 2009 hearing Baron's then counsel Larry Friedman informed Judge Furgeson that Ondova had filed the bankruptcy without notice to him in violation of the Court's requirement that no action was to be taken without the Court's approval. (Distr. Dkt. 52, p. 12, lines 9-25; p.13, lines 1-11: Exhibit 31). The Court observed that Baron had "gone through enormous numbers of lawyers at great expense to himself and a lack of continuity to his representation and I think to his detriment" (Distr. Dkt. 52, p. 16, lines 23-25: Exhibit 31) and that Baron was "way over litigious with way too many lawyers," (Distr. Dkt. 52, p.18, lines 14-15: Exhibit 31), and that his litigation approach "continues to complicate his legal problems by just layering lawyer upon lawyer into his activities." (Distr. Dkt. 52, p. 22, lines 16-19: Exhibit 31).

Because Mr. Baron was present at an August 18, 2009 Status Conference, the Court warned him personally that the tactic of changing lawyers and changing forums was regarded by the Court as an abuse of the justice system: "I think this is a litigation tactic. There is no one in this courtroom that can look at this and think it's anything other than an effort to get out from under my jurisdiction." (Distr. Dkt. 66, p. 66, lines 13-16: Exhibit 32).

Two weeks later at a September 10, 2009 Status Conference, the Court again warned Mr. Baron, through his counsel, that his conduct might have criminal consequences. "I think we're

going to hire criminal counsel for Mr. Baron. I think Mr. Baron is very close to sustaining criminal liability. He's in a bankruptcy court under the most unusual of circumstances that could create liability. He has obligations to not obstruct justice in this Court." (Distr. Dkt. 68, p. 28, lines 8-25: Exhibit 33).

In defiance of the Court's statements concerning the number of counsel he had hired, Baron moved on October 17, 2009 to hire additional counsel, Jeffrey T. Hall, to assist with the civil litigation. On January 26, 2010, Friedman & Feiger filed its Motion to Withdraw as Counsel for Baron, citing "irreconcilable conflict of interest" between it and Mr. Baron on April 19, 2010, Jeffrey T. Hall filed his Motion to Withdraw as Counsel for defendants, citing Baron's refusal in fulfilling his financial obligations to the lawyer, and that his continued representation of Baron would impose an unreasonable financial burden on the lawyer. Later the Motion was withdrawn and re-filed as a Motion to Withdraw and to Substitute Gary Lyon as primary counsel. Gary Lyon filed his Notice of Appearance on August 26, 2010. According to the Court's count Mr. Lyon was Mr. Baron's eleventh lawyer in the Netsphere litigation.

THE BANKRUPTCY CASE

From the early stages of the Bankruptcy Case, the Bankruptcy Court found reason to question Baron's tactics and motives. During only the second hearing in the Bankruptcy Case on August 5, 2009, the Bankruptcy Court questioned whether the bankruptcy filing was merely "an affront to what has already transpired after many weeks or months before the District Court, of much wrangling, analysis and litigation." (Bankr. Dk. 38, p. 80 line 21 – 24: Exhibit 34). The Bankruptcy Court concluded that it "believes, with all due respect to the Debtor's fine bankruptcy counsel here, that there was some forum-shopping going on, and this [case] is mostly a litigation tactic." (Bankr. Dk. 38, p. 81 line 5 – 8: Exhibit 34). Before the substance of a Cash Collateral Hearing even began on September 1, 2009, Baron's tactics caused the Bankruptcy

Court to ponder whether it needed to exercise its *sua sponte* powers to appoint a Chapter 11 Trustee for cause. (Bankr. Dk. 126, p. 16 line 11 – p. 17 line 9: Exhibit 35.)

After Baron took the stand on September 1, 2009 during the Cash Collateral Hearing and repeatedly failed to answer most questions directly or completely and was unable to adequately and transparently discuss the Debtor's business and his role therewith, (Bankr. Dk. 126, p. 120 line 23 – p. 121 line 18: Exhibit 35) the Bankruptcy Court's frustrations with Baron led to the issuance of a show cause order as to why a Chapter 11 Trustee should not be appointed over the Debtor. (Bankr. Dk. 126, p. 227 line 21 – 25: Exhibit 35.) The bases for the Bankruptcy Court's show cause order are as follows:

"During the hearings on the Section 363 Cash Usage Motion, which still have not concluded (the court setting the next hearing on the Section 363 Cash Usage Motion for September 11, 2009 at 9:30 a.m.), the court became concerned about whether it is appropriate to allow Ondova to remain on as a debtor-in-possession in this bankruptcy case. Among the things driving this concern are the following. First, the hearing on September 1, 2009 began with an attempt by the Debtor to terminate its bankruptcy counsel and seek a continuance of the hearing on the Section 363 Cash Usage Motion (in light of a desire to retain new bankruptcy counsel). The court noted that it was especially troubled with this development—given that the Debtor has a long prepetition history of playing “musical lawyers” in litigation with NetSphere, Inc. Second, the court has been troubled at both the August 26, 2009 and September 1, 2009 hearings, with: (a) an apparent lack of forthcomingness on the part of the Debtor’s principal, Mr. Barron [sic]; (b) an inability on Mr. Barron’s [sic] part to concisely answer straightforward questions about the Debtor’s business; and (c) the assertion of the attorney-client privilege by the Debtor in situations where such an assertion may not be consistent with the fiduciary duties of a debtor-in-possession (i.e., in situations where, surely, a Bankruptcy Trustee would see fit to waive the privilege in the interests of creditors and in the interests of the efficient administration of the bankruptcy estate). The court also perceives that the goal of Ondova in this Chapter 11 case (while under the direction of Mr. Barron [sic] and the current management team) may not be centered attempting to relitigate issues already decided or settled in other fora. Finally, the court is concerned about complex, prepetition transactions among various companies in which Mr. Barron [sic] has some interest or control, which transactions may affect the Debtor (and the value available/reachable for creditors), that need investigating by an independent fiduciary." (Bankr. Dk. 56: Exhibit 36.)

At the September 11, 2009 hearing on the Bankruptcy Court's show cause order, among other matters, the Bankruptcy Court ruled that cause existed to appoint a Chapter 11 Trustee:

"including the mismanagement of the affairs of this estate by the debtor in possession while under the direction of Mr. Baron. And, also, cause being the lack of candor and cooperation of Mr. Baron as a representative of the debtor in possession." (Bankr. Dk. 112, p. 36 line 9 – 15: Exhibit 37.)

Even after the Trustee was appointed to remove Baron from control of the Debtor, Baron continued to frustrate the Bankruptcy Court and stand in the way of the administration of the Bankruptcy Case. For example, Baron repeatedly attempted to duck his deposition. At the April 7, 2010 hearing on the Motions for 2004 Examination, the Bankruptcy Court voiced its displeasure with Baron and his tactics:

"This is very, very frustrating. And I know that everyone pretty much shares my frustration. But I'm frustrated that Mr. Baron is an obstacle here, and maybe nothing short of testifying and facing a holding cell if he doesn't cooperate and testify is going to get him to budge in this." (Bankr. Dk. 298, p. 38 line 5 – 9: Exhibit 38.)

Baron's tactics resulted in the Bankruptcy Court making ready to use whatever power it had to obtain the cooperation of Baron:

"If I have to make space available here at the courthouse in a conference room with a U.S. Marshal babysitting the process, I will. And I say that mostly for Mr. Baron's sake." (Bankr. Dk. 298, p. 37 line 21 – 24: Exhibit 38.)

In concluding the hearing, the Bankruptcy Court warned that "if we have to go to DEFCON 3, or whatever that expression is, at that point, we will." (Bankr. Dk. 298, p. 38 line 16 – 18: Exhibit 38.)

At a July 12, 2010 on the Trustee's Settlement Motion, Baron exasperated the Bankruptcy Court yet again – this time, by waffling on whether he approved the settlement agreement:

"Okay. I -- I'm beyond frustrated. And I'm thinking about my contempt powers right now. That's how frustrated I am. And ask your attorney during the break what I mean by that, if you don't understand." (Bankr. Dk. 412, p. 112 line 21 – 24: Exhibit 39.)

In fact, the Bankruptcy Court admonished both Baron and his attorney for wasting everyone's time, stating plainly, "You are wasting this Court's time. You're wasting everybody's time. So are you, Mr. Baron." (Bankr. Dk. 298, p. 154 line 7 – 9: Exhibit 38.)

By the September 15, 2010 Status Conference, Mr. Baron had been through multiple attorneys in and outside the Bankruptcy Case and the Bankruptcy Court was exasperated by Baron's gamesmanship:

"I am more than a little concerned about the 'musical attorneys' . . . And I cannot figure out why, for the life of me, we have the "musical lawyers" going on, but it's going to stop today (Bankr. Dk. 470, p. 6 line 2 – 9: Exhibit 40). . . There are no more lawyers going to be allowed." (Bankr. Dk. 470, p. 15 line 7 – 8: Exhibit 40).

The Bankruptcy Court ruled that Mr. Baron was finished with his games of changing counsel and postulated which sanction would best fit the circumstances he created:

". . . there is zero chance Mr. Baron is getting a new lawyer. Zero. Zero. Okay? 40-something lawyers. 40-something lawyers. (Bankr. Dk. 470, p. 53 line 25 – p. 54 line 2: Exhibit 40) . . . You know, is it Rule 11 sanctionable? Is it gamesmanship? Is it obvious improper purpose to delay? Or is it Texas Penal Code theft of services? You know, I am just so troubled for so many reasons." (Bankr. Dk. 470, p. 60 line 7 – 10: Exhibit 40.)

Reaching its capacity for Baron's tactics, on October 12, 2010, the Bankruptcy Court filed its *Report and Recommendation to District Court (Judge Royal Furgeson): That Peter Vogel, Special Master, Be Authorized and Directed to Mediate Attorneys Fees Issues* (the "Report and Recommendation"). (Bankr. Dk. 484: Exhibit 41). Through the Report and Recommendation, the Bankruptcy Court seriously questions whether Baron's habit of hiring and then firing lawyers rises to criminal conduct under the Texas Penal Code. (Bankr. Dk. 484: Exhibit 41.) The Bankruptcy Court also clearly states that "Baron will not be allowed to hire additional attorneys" and will "either retain Gary Lyon and Martin Thomas through the end of the bankruptcy case . . . or he can proceed *pro se*." (Bankr. Dk. 484: Exhibit 41.) If Baron elects to proceed *pro se*, the Bankruptcy Court warns that if Baron fails to cooperate, "he can expect this court to recommend [to Judge Furgeson] that he appoint a receiver over Mr. Baron" (Bankr. Dk. 484: Exhibit 41.)

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., et al.,

v.

JEFFREY BARON, et al.

§
§
§
§
§

Case No. 3:09-CV-00988-F

DECLARATION OF RAYMOND J. URBANIK

I, Raymond J. Urbanik., hereby declare and state the following:

1. I am counsel of record for Daniel J. Sherman, in his capacity as the Chapter 11 Trustee for Ondova Limited Company, and the following is based upon my personal knowledge and is true and correct.

2. Except for Exhibit 1, all of the exhibits in the Appendix of which this Declaration is a part are true and correct copies of public records that I have compiled from court records and/or from transcripts prepared by court reports.

3. I also have in my possession voluminous records with regard to the asset structure that Jeffrey Baron has established for his assets. Attached hereto as Exhibit 1 is a chart that was created from those records which accurately summarizes those voluminous records. These records were obtained from Jeffrey Baron and his related entities and are therefore available for use to contradict this chart if it is inaccurate in any way.

4. Immediately subsequent to the appointment of the Receiver, steps had to be taken to stop the transfer of valuable property, including 300,000 internet domain names, to a foreign entity outside of the jurisdiction of the federal courts. In addition, we had learned that Baron or entities controlled by him, had funds in the United States that could be transferred to the Cook Islands if a Receivership had not been created. Mr. Baron's assets are substantially located in the Cook Islands – a location notorious for asset protection and non-compliance with United States

law. Since the filing of the Receivership, the entities located in the Cook Islands and controlled by Baron have advised the Receiver that they will not comply with the Receiver or the Receivership Order.

5. If the Order Appointing Receiver were dissolved, Jeffrey Baron would be free to transfer assets to the offshore entities in the Cook Islands and elsewhere.

6. During the course of the District court case and the Bankruptcy court case, from my personal experience, and from a review of Court records, Baron, for himself, has used a total of seventeen attorneys, three of whom did not formally enter an appearance. In addition, through his related entities, Baron has hired and fired numerous attorneys since the Trustee's appointment.

7. I hereby declare under penalty of perjury that the forgoing is true and correct.

Executed on: December 10, 2010



Raymond J. Urbanik

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	
MANILA INDUSTRIES, INC. AND	§	
MUNISH KRISHAN	§	
	§	
PLAINTIFFS,	§	
	§	
v.	§	CIVIL ACTION NO. 3:09-CV-0988-F
	§	
JEFFREY BARON AND	§	
ONDOVA LIMITED COMPANY,	§	
	§	
DEFENDANTS.	§	

NOTICE OF APPEARANCE

PLEASE TAKE NOTICE that Quantec, LLC and Novo Point, LLC, by and through the undersigned, hereby file this Notice of Appearance and request that copies of all correspondence, notices and pleadings hereafter given or filed in this case be given and served on them by serving:

Joshua E. Cox
PO BOX 2072
Keller TX 76244
682.583.5918 telephone
j.cox.email@gmail.com

Dated: December 10, 2010

Respectfully submitted,

By: /s/ Joshua E. Cox
Joshua E. Cox
Texas Bar No. 24038839
PO BOX 2072
Keller TX 76244
682.583.5918 telephone
j.cox.email@gmail.com

ATTORNEY FOR QUANTEC, LLC AND
NOVO POINT, LLC

CERTIFICATE OF SERVICE

I hereby certify that on December 10, 2010, a true and correct copy of the foregoing was sent to all parties requesting electronic service through the Court's ECF system.

/s/ Joshua E. Cox _____
Joshua E. Cox

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	
MANILA INDUSTRIES, INC. AND	§	
MUNISH KRISHAN	§	
	§	
PLAINTIFFS,	§	
	§	
v.	§	CIVIL ACTION NO. 3:09-CV-0988-F
	§	
JEFFREY BARON AND	§	
ONDOVA LIMITED COMPANY,	§	
	§	
DEFENDANTS.	§	

**RESPONSE AND OBJECTION OF QUANTEC, LLC AND
NOVO POINT, LLC TO RECEIVER’S MOTION TO CLARIFY THE RECEIVER ORDER**

TO THE HONORABLE ROYAL FERGUSON, U.S. DISTRICT COURT JUDGE:

Quantec, LLC and Novo Point, LLC (collectively, the “Cook Islands LLCs”) by and through their undersigned counsel hereby file this *Response and Objection of Quantec, LLC and Novo Point, LLC to Receiver’s Motion to Clarify the Receiver Order*, and in support thereof would show the Court as follows:

1. On November 24, 2010, Daniel J. Sherman, acting in his capacity as Chapter 11 Trustee (the “Chapter 11 Trustee”) in the bankruptcy case *In re Ondova Limited Company*, Case No. 09-34784-SGJ-11, pending in the United States Bankruptcy Court for the Northern District of Texas, filed herein an *Emergency Motion for Appointment of a Receiver over Jeffrey Baron*. [Docket #123].

2. On November 24, 2010, the Court granted the Trustee's Motion and issued an order appointing Peter S. Vogel as the Receiver for Defendant Jeffrey Baron (the "Receiver Order"). [Docket #124.]

3. The Receiver Order defines "Receivership Parties" as Jeffrey Baron and Village Trust, Equity Trust Company IRA 19471, Daystar Trust, Belton Trust, Novo Point, Inc., Iguana Consulting, Inc., Quantec, Inc., Shiloh, LLC, Novquant, LLC, Manassas, LLC, Domain Jamboree, LLC, and ID Genesis, LLC. [Id. at p. 1.] The Receiver Order further defines Receivership Parties as "any entity under the direct or indirect control of Jeffrey Baron, whether by virtue of ownership, beneficial interest, a position as officer, director, power of attorney or any other authority to act." [Id. at p. 2.]

4. On December 3, 2010, the Receiver filed his *Motion to Clarify Receiver Order* [Docket #139], alleging that the definition of Receivership Parties contained in the Receivership Order (set forth above) has always included Novo Point, LLC and Quantec, LLC, and requesting the Court enter an order to such effect.

5. The Cook Islands LLCs object to the Receiver's *Motion to Clarify Receiver Order* on the following non-exclusive grounds:

a. The Chapter 11 Trustee is not a proper party to request a receivership over the Cook Islands LLCs because the Chapter 11 Trustee does not have or claim any interest in or to the Cook Islands LLC.

b. The receivership has seriously interfered with the Cook Islands LLCs' property rights by ousting the Cook Islands LLCs from control without good cause.

c. The Chapter 11 Trustee has failed to show clear necessity in seeking the receivership in order to protect the Chapter 11 Trustee's interests in the Cook Islands LLCs.

d. The Chapter 11 Trustee has failed to show good cause as to why the receivership should be granted *ex parte* and without notice to the Cook Islands LLCs.

e. The Chapter 11 Trustee has failed to show that the Cook Islands LLCs engaged in fraudulent conduct warranting establishment of the receivership over the Cook Islands LLCs.

f. The Chapter 11 Trustee has failed to show that there exists an imminent danger of loss of property in which the Chapter 11 Trustee claims an interest with regard to the Cook Islands LLCs.

g. The Chapter 11 Trustee has failed to show the inadequacy of legal remedies as to the Cook Islands LLCs.

h. The Chapter 11 Trustee has failed to show harm is likely to the Chapter 11 Trustee if the receivership over the Cook Islands LLCs is denied.

i. The Chapter 11 Trustee has failed to show that Jeffrey Baron, the subject of the receivership,

i. Has direct or indirect control over the Cook Islands LLCs;

ii. Has an ownership interest in the Cook Islands LLCs;

iii. Has a beneficial interest in the Cook Islands LLCs;

iv. Holds a position as an officer or director of the Cook Islands LLCs;

v. Has a power of attorney with respect to the Cook Islands LLCs; or,

vi. Has any authority whatsoever to act with respect to the Cook Islands LLCs.

j. The Cook Islands LLCs reserve any and all other objections they may have at law or in equity for a trial of this matter.

WHEREFORE, PREMISES CONSIDERED, Quantec, LLC and Novo Point, LLC respectfully request that the Court DENY the Receiver's *Motion to Clarify Receiver Order* and pray for such other and further relief to which they may be entitled.

Respectfully submitted,

By: /s/ Joshua E. Cox
Joshua E. Cox
Texas Bar No. 24038839
PO BOX 2072
Keller TX 76244
682.583.5918 telephone
j.cox.email@gmail.com

ATTORNEY FOR QUANTEC, LLC AND
NOVO POINT, LLC

CERTIFICATE OF SERVICE

I hereby certify that on December 10, 2010, a true and correct copy of the foregoing was sent to all parties requesting electronic service through the Court's ECF system.

/s/ Joshua E. Cox
Joshua E. Cox

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE INC.,	§	
MANILA INDUSTRIES, INC.; and	§	
MUNISH KRISHAN	§	
Plaintiffs,	§	
	§	CIVIL ACTION NO.: 3-09-CV-0988-F
v.	§	
	§	
JEFFREY BARON and	§	
ONDOVA LIMITED COMPANY,	§	
Defendants.	§	

OBJECTION TO SUBPOENA & MOTION TO QUASH SUBPOENA

TO THE HONORABLE ROYAL FURGESON, U.S. DISTRICT COURT JUDGE:

COMES NOW QUANTEC, L.L.C. and NOVO POINT, L.L.C. and file this Objection to Subpoena & Motion to Quash Subpoena and in support would show the Court the following:

1. On Friday, December 10, 2010, Jeff Harbin, the Manager of QUANTEC, L.L.C. and NOVO POINT, L.L.C. was subpoenaed in his individual capacity to appear at Movants' bank at 9:00 a.m. on Monday, December 13, 2010, to transfer funds from Movant's bank accounts as instructed by the attorney for receiver. He was not served in his capacity as the Manager or as an officer of Movants.
2. To the Extent the subpoena attempts to appropriate Movants' monetary resources for the receiver, QUANTEC, L.L.C. and NOVO POINT, L.L.C. object to the time of appearance being unreasonable inasmuch as the subpoena commands an appearance by Movant's Manager within six business hours of the service of the subpoena and constitutes unreasonable notice.
3. Movants further object and move the Court to Quash the subpoena for the reason that Movants are not properly before the Court, having not been served with process herein. Prior to the Receiver attempting to seize Movants' bank accounts, Movants are entitled to due process.

4. Movants further move the Court to Quash the subpoena for the reason that the Court has set for Friday, December 17, 2010, an expedited hearing as to whether Movants are the alter ego of Jeff Baron and whether Movants are subject to the Receivership Order. The hearing as to the propriety of the entire receivership is the reason that the U.S. Court of Appeals for the 5th Circuit did not take up the matter and denied the Emergency Motion to Stay Receivership without prejudice (see attached). The receivership is an attempt to improperly front run the Courts hearing by placing Mr. Harbin in jeopardy of contempt unless he cooperates to grant the receiver the relief the receiver seeks and that, upon completion of the hearing of December 17, 2010, may be denied.

5. On December 10, 2010, at approximately 3:00 p.m. the undersigned discussed this matter with Peter Loh, one of the attorneys for the receiver. Although the undersigned offered to freeze the accounts the subject of the subpoena, Mr. Loh refused that offer or to lift the subpoena.

WHEREFORE, PREMISES CONSIDERED, QUANTEC, L.L.C. and NOVO POINT, L.L.C. requests that Plaintiff's objection be sustained, and that the subpoena be quashed and for such other and further relief, at law or in equity, to which it may be entitled.

Respectfully submitted,

/s/ Thomas P. Jackson
Thomas P. Jackson
State Bar No. 10496600
Law Office of Thomas P. Jackson
4835 LBJ Freeway, Suite 450
Dallas, Texas 75244
(972) 387-0007 - Telephone
(972) 387-8707 - Facsimile

**ATTORNEY FOR QUANTEC, L.L.C.
And NOVO POINT, L.L.C.**

Certificate of Conference

The undersigned counsel for QUANTEC, L.L.C., and NOVO POINT, L.L.C. attempted to discuss the substance of the foregoing Motion with Peter Loh on December 10, 2010, prior to the filing of this Motion, and he is opposed to this Motion. Therefore this matter is submitted to the Court for determination.

/s/ Thomas P. Jackson
Thomas P. Jackson

Certificate of Service

This is to certify that this was served on all parties who receive notification through the Court's electronic filing system.

/s/ Thomas P. Jackson
Thomas P. Jackson

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	Civil Action No. 3-09CV0988-F
MANILA INDUSTRIES, INC., and	§	
MUNISH KRISHAN,	§	
Plaintiffs.	§	
	§	
v.	§	MOTION FOR <u>EMERGENCY RELIEF</u>
	§	
JEFFREY BARON, and	§	
ONDOVA LIMITED COMPANY,	§	
Defendants.	§	

**MOTION FOR EMERGENCY RULING ON MOTION TO STAY
PENDING APPEAL**

TO THE HONORABLE ROYAL FURGESON, U.S. DISTRICT COURT JUDGE:

COMES NOW, Jeffrey Baron, Appellant, and in light of Mr. Urbanik’s motion filed Friday [Doc. 151] moving this Court to consider evidence and adjudicate newly raised claims and factual issues, requests the Court to rule today on [Doc. 137] Mr. Baron’s Motion to Stay.

Appellate Counsel for Mr. Baron has been retained strictly with respect to appeal of the order appointing receiver entered by this Court now on appeal to the Fifth Circuit. Mr. Baron is in need of an attorney to file proper legal objections to the timing and form of the relief requested by Mr. Urbanik, to object to the standing of Mr. Urbanik to request such relief, as well as seek a more definite statement of the relief sought.

Mr. Baron needs experienced and specialized counsel to conduct discovery and prepare to defend the very serious new charges Mr. Urbanik brings in his motion. As Mr. Urbanik has maneuvered his motion to be a part of the hearing set only 4 days from now, Mr. Baron needs an attorney to represent him on these matters *immediately*.

The limited scope of Appellate Counsel's representation is strictly limited to matters of appeal and does not cover defense of Mr. Urbanik's newly raised claims, nor any other matter in the district court beyond staying the order appointing receiver pending appeal, or declaring that order void.

Mr. Urbanik's motion seeks determination of matters including whether:

1. Mr. Baron is in breach of an injunction order,
2. Mr. Baron is violation of Federal Rule of 13 (sic),
3. Mr. Baron engaged in a bad faith bankruptcy filing,
4. Mr. Baron refused to testify, and
5. Mr. Baron is the owner of Ondova.

Mr. Urbanik also seeks the determination of substantive rights between Mr. Baron and former attorneys and judicial determination:

6. Declaring Mr. Baron a vexatious litigant,
7. Finding Mr. Baron in breach of the settlement agreement,
8. Determining Mr. Baron's liability to attorneys for fees.

Mr. Urbanik further seeks adjudication on serious allegations including:

9. Whether Mr. Urbanik's attorneys fees in the bankruptcy court are legitimate and attributable to Mr. Baron's obstructive tactics, (or conversely, if not, were unreasonable, improper, unjustified, and excessive),
10. That Mr. Baron has acted with contempt for the court,
11. Whether Mr. Baron has incurred debts without regard to the financial implication of doing so,
12. Whether Mr. Baron has engaged in fraud and is attempted to fraudulently insulate himself from judgment,

These allegations were not made in the motion to appoint receiver, and by their timing appear clearly to be in retaliation for Mr. Baron's objection to Mr. Urbanik's fees in the bankruptcy court.

Mr. Baron is currently unable to retain counsel to defend or even object to the motion raised by Mr. Urbanik because his money has been seized and this Court has ordered him not to retain any counsel to represent him in this Court. Moreover, Mr. Baron's personal papers have been seized as well as **the materials of his prior counsel**. Unless the receivership is stayed and his money, right to retain and consult with counsel, and his and his lawyer's papers are immediately

returned to him, Mr. Baron will be irreparably harmed in his defense of Mr. Urbanik's motions set only 4 days from now.

Accordingly Mr. Baron seeks an immediate stay of the receivership so that he may retain counsel to properly object and defend the very serious motion filed by Mr. Urbanik.

Mr. Urbanik has refused to withdraw his motion. Short of an order from this Court striking Mr. Urbanik's motion or expressly removing it from the docket Friday, his motion necessitates immediate stay of the receivership order.

Respectfully submitted,

/s/ Gary N. Schepps _____
Gary N. Schepps
State Bar No. 00791608
Drawer 670804
Dallas, Texas 75367
(214) 210-5940
(214) 347-4031 Facsimile

**APPELLATE COUNSEL FOR
JEFFREY BARON**

CERTIFICATE OF SERVICE

This is to certify that this was served on all parties who receive notification through the Court's electronic filing system.

/s/ Gary N. Schepps _____
Gary N. Schepps

CERTIFICATE OF CONFERENCE

This is to certify that the undersigned conferred with Mr. Raymond J. Urbanik, attorney for DANIEL J. SHERMAN, Trustee for ONDOVA LIMITED COMPANY, and they opposed the motion.

/s/ Gary N. Schepps _____
Gary N. Schepps

ORIGINAL

09-988-m

PROOF OF SERVICE

DATE		PLACE	
10:17AM 12/10/2010		6503 Camille Avenue Dallas, Texas 75252	
SERVED ON (PRINT NAME)		MANNER OF SERVICE	
Jeffrey Harbin		Personal	
SERVED BY (PRINT NAME)		TITLE	
Adil Tadli		Private Process Server SCH1206	

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on

12/10/2010
DATE




SIGNATURE OF SERVER

5470 LBJ Freeway
ADDRESS OF SERVER

Dallas, TX 75240

Rule 45(c)-(d) of the Federal Rules of Civil Procedure:

(c) PROTECTING A PERSON SUBJECT TO A SUBPOENA.

(1) Avoiding Undue Burden or Expense; Sanctions. A party or attorney responsible for issuing and serving a subpoena must take reasonable steps to avoid imposing undue burden or expense on a person subject to the subpoena. The issuing court must enforce this duty and impose an appropriate sanction — which may include lost earnings and reasonable attorney's fees — on a party or attorney who fails to comply.

(2) Command to Produce Materials or Permit Inspection.

(A) Appearance Not Required. A person commanded to produce documents, electronically stored information, or tangible things, or to permit the inspection of premises, need not appear in person at the place of production or inspection unless also commanded to appear for a deposition, hearing, or trial.

(B) Objections. A person commanded to produce documents or tangible things or to permit inspection may serve on the party or attorney designated in the subpoena a written objection to inspecting, copying, testing or sampling any or all of the materials or to inspecting the premises — or to producing electronically stored information in the form or forms requested. The objection must be served before the earlier of the time specified for compliance or 14 days after the subpoena is served. If an objection is made, the following rules apply:

(i) At any time, on notice to the commanded person, the serving party may move the issuing court for an order compelling production or inspection.

(ii) These acts may be required only as directed in the order, and the order must protect a person who is neither a party nor a party's officer from significant expense resulting from compliance.

(3) Quashing or Modifying a Subpoena.

(A) When Required. On timely motion, the issuing court must quash or modify a subpoena that:

(ii) requires a person who is neither a party nor a party's officer to travel more than 100 miles from where that person resides, is employed, or regularly transacts business in person — except that, subject to Rule 45(c)(3)(B)(iii), the person may be commanded to attend a trial by traveling from any such place within the state where the trial is held;

(iii) requires disclosure of privileged or other protected matter, if no exception or waiver applies; or

(iv) subjects a person to undue burden.

(B) When Permitted. To protect a person subject to or affected by a subpoena, the issuing court may, on motion, quash or modify the subpoena if it requires:

(i) disclosing a trade secret or other confidential research, development, or commercial information;

(ii) disclosing an unretained expert's opinion or information that does not describe specific occurrences in dispute and results from the expert's study that was not requested by a party; or

(iii) a person who is neither a party nor a party's officer to incur substantial expense to travel more than 100 miles to attend trial.

(C) Specifying Conditions as an Alternative. In the circumstances described in Rule 45(c)(3)(B), the court may, instead of quashing or modifying a subpoena, order appearance or production under specified conditions if the serving party:

(i) shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship; and

(ii) ensures that the subpoenaed person will be reasonably compensated.

(d) DUTIES IN RESPONDING TO SUBPOENA.

(1) Producing Documents or Electronically Stored Information. These procedures apply to producing documents or electronically stored information:

(A) Documents. A person responding to a subpoena to produce documents must produce them as they are kept in the ordinary course of business or must organize and label them to correspond to

the categories in the demand.

(i) fails to allow a reasonable time to comply;

(B) Form for Producing Electronically Stored Information Not Specified. If a subpoena does not specify a form for producing electronically stored information, the person responding must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.

(C) Electronically Stored Information Produced in Only One Form. The person responding need not produce the same electronically stored information in more than one form.

(D) Inaccessible Electronically Stored Information. The person responding need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the person responding must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

(2) Claiming Privilege or Protection.

(A) Information Withheld. A person withholding subpoenaed information under a claim that it is privileged or subject to protection as trial-preparation material must:

(i) expressly make the claim; and

(ii) describe the nature of the withheld documents, communications, or tangible things in a manner that, without revealing information itself privileged or protected, will enable the parties to assess the claim.

(B) Information Produced. If information produced in response to a subpoena is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if the party disclosed it before being notified; and may promptly present the information to the court under seal for a determination of the claim. The person who produced the information must preserve the information until the claim is resolved.

**Issued by the
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS**

**NETSPHERE, INC., MANILA INDUS., INC.,
and MUNISH KRISHAN**

SUBPOENA IN A CIVIL CASE

V.

**JEFFREY BARON and ONDOVA
LIMITED COMPANY**

Case Number:¹ **No. 3:09-CV-0988-M**

**TO: Jeffrey Harbin
6503 Camille Ave.
Dallas, Texas 75252**

- YOU ARE COMMANDED to appear in the United States District court at the place, date, and time specified below to testify in the above case.

PLACE OF TESTIMONY	COURTROOM
	DATE AND TIME

- YOU ARE COMMANDED to appear at the place, date, and time specified below to testify at the taking of a deposition in the above case.

PLACE OF DEPOSITION	DATE AND TIME
---------------------	---------------

- YOU ARE COMMANDED to produce and permit inspection and copying of the following documents or objects at the place, date, and time specified below (list documents or objects):


Documents and materials sufficient to 1) initiate a wire transfer from the designated BBVA Compass Bank Accounts to Comerica Bank and 2) establish Peter L. Loh, Counsel for Receiver as a signatory on the same accounts.

PLACE BBVA Compass Bank 2301 Cedar Springs Road Dallas, Texas 75201.	DATE AND TIME December 13, 2010 9:00 a.m.
---	---

- YOU ARE COMMANDED to permit inspection of the following premises at the date and time specified below.

	DATE AND TIME
--	---------------

Any organization not a party to this suit that is subpoenaed for the taking of a deposition shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which the person will testify. Federal Rules of Civil Procedure, 30(b)(6).

ISSUING OFFICER'S SIGNATURE AND TITLE (INDICATE IF ATTORNEY FOR PLAINTIFF OR DEFENDANT)  Attorney for Peter S. Vogel, Receiver for Defendant Jeffrey Baron	DATE December 9, 2010
--	---------------------------------

ISSUING OFFICER'S NAME, ADDRESS AND PHONE NUMBER Peter L. Loh, Attorney for Peter S. Vogel, Receiver for Defendant Jeffrey Baron Gardere Wynne Sewell LLP, 3000 Thanksgiving Tower, 1601 Elm Street, Dallas, Texas, 75201-4761 Telephone: 214.999.3000
--

(See Rule 45, Federal Rules of Civil Procedure, Parts C & D on next page)

¹ If action is pending in district other than district of issuance, state district under case number.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., et al.,

§

v.

§

Case No. 3:09-CV-00988-F

§

JEFFREY BARON, et al.

§

§

**RESPONSE TO MOTION TO VACATE OR STAY
APPOINTMENT OF RECEIVER**

TO THE HONORABLE ROYAL FURGESON, SENIOR U.S. DISTRICT COURT JUDGE:

COMES NOW Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 trustee of Ondova Limited Company ("Ondova"), and responds to the *Emergency Motion to Vacate Order Appointing Receiver and, in the alternative, Motion for Stay Pending Appeal, and Brief in Support* (Dkt. 137) ("Motion to Vacate") filed by Jeffrey Baron ("Baron"), respectfully stating:

Summary

1. The law supports the order appointing receiver. First, it is well-established that federal courts have inherent equitable power to protect the judicial system from vexatious litigants. District courts have discretion to impose appropriate sanctions in order to punish abuse of the judicial process and prevent future misconduct, including taking steps to limit access to the federal courts. The Supreme Court has made it clear that the power underlying those decisions is such that a district court should enter a sanction that will effectively address the situation. Second, with regard to the use of a receiver, Article III of the Constitution grants this Court all powers "at law and in equity," which includes the broad authority of the chancery courts, meaning the very power of the chancellor to the English crown. These courts created the position of receiver in order to go out from the court and carry out its orders when the court was concerned that otherwise the order would be ignored. Still today, federal courts appoint

receivers when it becomes necessary restrain a person bent upon an illegal course of action. For example, federal courts routinely use receivers to halt ongoing violations of federal law, such as securities fraud, when the record shows a reasonable likelihood that the wrongful conduct law will continue. The need for flexibility and hands-on management is another basis for the appointment of a receiver, and indeed federal courts place receivers in charge of carrying out their directives when judgment and management are necessary in order to do what must be done, and a court would otherwise be left to manage a situation by motion practice.

2. The appointment of a receiver was the only reasonable sanction. By latest count, Baron changed lawyers 17 times, just in this Court and the Bankruptcy Court alone, and he also ignored the Preliminary Injunction in this Court, violated discovery rules, violated Bankruptcy Code requirements, and so obstructed the efforts to employ a mediator that the claims that he has created cannot be resolved without court action. He violated the Preliminary Injunction even though it carried substantial monetary penalties. The task here is to halt the ongoing abuse of the judicial process, sort out the damage, prevent assets from being transferred further into Baron's complex asset protection structure, and advise both this Court and the Bankruptcy Court as to the proper application of those assets to the claims. Given Baron's demonstrated impunity to lesser sanction, and the nature of the task, a receiver is a natural choice. It is also the only solution presented by any of the parties. While Baron raises a number of legal challenges to the appointment, which are addressed below, he identifies no lesser sanction that would be effective to address the situation that he has created. The reasonableness of the appointment is also attested by a bankruptcy judge and bankruptcy trustee who are intimately familiar with Baron, by a special master who has attempted to mediate the claims at issue, and by the Court's own first-hand experience with Baron.

3. More than enough evidence of the subject conduct existed in the public record when the Court originally acted. Even so, the Trustee has compiled in an appendix a set of transcripts and court filings, and recounted the litigation history, including the many appearances and withdrawals of counsel. To the extent that the Court wishes to hear a response to Baron's declaration with regard to post-appointment developments, the Trustee is prepared to offer evidence at the scheduled hearing.

4. The Trustee has accordingly prepared draft findings and conclusions for the Court's consideration, and prays that the Court adopt the same and uphold the order.

Facts

5. As noted above, Baron has changed counsel at least 17 times just in this Court and the Bankruptcy Court, ignored this Court's orders and the rules of procedure here and in the bankruptcy proceedings, and consistently acted to delay and obstruct these proceedings however he could. The conduct has caused significant collateral damage to the other involved parties and the courts. It has become a litigation tactic. It is an abuse of the liberty otherwise afforded to civil litigants.

6. When this Court became involved in the interrelated string of proceedings on May 28, 2009, there were already six lawsuits pending in three jurisdictions concerning the original controversy, and Baron was then in the midst of attempting to escape a settlement that had not lived long enough to be documented beyond an MOU format.

7. This Court issued a number of early orders in an effort to compel compliance by Mr. Baron of that settlement. Baron demonstrated to the Court a lack of cooperation with those orders. Consistently, his conduct as a witness set new standards for an inability or unwillingness to respond to the question posed.

8. One of the more vexing of Baron's obstructive tactics has been his serial hiring and firing of counsel, which he uses to create delay and to drive up the cost for any party that seeks to obtain judicial relief. By the time that this action was transferred up from the Dallas County state court, Baron had already gone through at least five sets of lawyers there.

9. In this Court, Baron quickly changed counsel several more times, and ultimately nine times altogether.

10. Then, in an effort to evade a contempt sanction ordered by this Court on July 8, 2009, Baron created a further delay placing Ondova into a Chapter 11 Bankruptcy Case on July 27, 2009 (“Bankruptcy Case”) [Case No. 09-34784-56J-11].

11. Not long after, on September 17, 2009, Baron’s misconduct caused the Bankruptcy Court to appoint Mr. Sherman as Chapter 11 Trustee.

12. As the Trustee worked to once again resolve the complex multi-jurisdiction litigation that Baron had reignited, Baron continued the pattern of changing personal counsel in the bankruptcy proceedings. In those proceedings, Baron ultimately changed counsel eight more times, bringing the total to twenty-two if one includes the state court proceedings. Even once the Trustee finally once again attained terms of settlement acceptable across the board, Baron continued to obstruct the consummation of the settlement and the process of winding down the Ondova bankruptcy estate. One problem that seemed unresolvable was the fact that as Baron ran through counsel and continued to refuse to pay for services rendered, those counsel began to seek compensation from the bankruptcy estate, thus creating a renewable source of claims. The bankruptcy court attempted to resolve the situation by ordering an effort to mediate all of the legal fee claims against Baron. But, Baron could not or would not stick to the same counsel in order even to complete the mediations, and soon the Bankruptcy Court had three motions

pending on the legal claims and the mediation process that had been ordered was not being implemented.

13. On October 13, 2010, an exasperated Bankruptcy Judge sua sponte issued an order entitled Report and Recommendation to District Court Recommending that a Receiver be Appointed over Mr. Baron (attached as Exhibit B to Emergency Motion).¹ She pointed out that Baron had reached the point of violating criminal law by retaining lawyers with no intention of payment, and had clearly exceeded a tolerable level of abuse of the process through the various delay tactics including his personal favorite of repeatedly changing counsel.

14. As the Court is familiar with most of these facts, the Trustee will proceed to discuss the applicable law. A more complete history of the facts and background continues, however, in the Appendix to this Response (Exhibit C).

Argument and Authorities

I. THE APPOINTMENT SHOULD STAND.

15. The Court's order remains well-founded and necessary, and is not likely to be overturned on appeal. The Court has broad inherent authority to address vexatious litigants, and the appointment of a receiver to address such misconduct is within the Court's equitable powers and an appropriate remedy here.

16. With regard to Baron's assertions, the authorities he presents do not stand for the proposition that receivers may only handle insolvencies, nor do they hold that his Fifth Amendment due process rights trump those of the rest of the participants in the judicial system,

¹ The Trustee accordingly filed his Emergency Motion of Trustee for Appointment of a Receiver Over Jeffrey Baron ("Emergency Motion") on November 24, 2010, in this Court (Dkt. 123). This Court approved the Emergency Motion and appointed Peter Vogel as receiver for Baron on that same day (Dkt. 130). An additional copy of the Emergency Motion is attached hereto as Exhibit A. Judge Jernigan's order was attached thereto, and is included in Exhibit A hereto. An additional copy of the order appointing Mr. Vogel as receiver is attached hereto as Exhibit B.

nor do they hold that the Fourth Amendment prevents the Court from acting ex parte to appoint a receiver, something that is commonly done.

The Court Has Broad Discretion to Address Vexatious Litigants

17. The equitable power of the Court to enjoin a vexatious litigant is an ancient one that is inherent to an Article III court. *In re Hartford Textile Corp.*, 681 F.2d 895, 897 (2d Cir. 1982); *In re Martin-Trigona*, 763 F.2d 140, 141 (2d Cir. 1985) ("Federal courts have both the inherent power and the constitutional obligation to protect their jurisdiction from conduct which impairs their ability to carry out Article III functions."). The power has also been affirmed by Congress in the All Writs Statute, which provides that "The Supreme Court and all courts established by Act of Congress may issue all writs necessary in aid of their respective jurisdictions and agreeable to the usages and principles of law." 28 U.S.C. § 1651(a); *In re Hartford Textile*, 681 F.2d at 897; *Harrelson v. U.S.*, 613 F.2d 114, 116 (5th Cir. 1980).

18. The use of this power is entrusted to the district court's sound discretion. *Harrelson v. U.S.*, 613 F.2d at 116 (applying abuse of discretion standard of review).

19. The power is commonly applied to enjoin litigants who abuse the court system by harassing their opponents. *See, e.g., Harrelson v. U.S.*, 613 F.2d at (5th Cir. 1980) (affirming injunction against filing further suits); *In re Hartford Textile Corp.*, 681 F.2d 895, 897 (2d Cir. 1982) (affirming injunction that permanently enjoined both the vexatious litigant and her attorney from: (1) "proceeding further in any manner whatsoever" with the prosecution of the current matter (with some exceptions); (2) "relitigating or attempting to relitigate in any court of the United States, any of the claims, causes of action, or legal issues, that have been litigated already" in the current matter; and (3) "filing any further papers" in the current matter without further order of the Court); *In re Martin-Trigona*, 763 F.2d 140 (2d Cir. 1985) (affirming an

injunction which included, among other provisions, an order permanently enjoining the vexatious litigant "from initiating lawsuits or other matters in any federal, state, or local forum against persons or entities that have encountered him or had any connection with litigation").

20. A record that demonstrates a pattern of harassment is enough to send the Court into action. In prior proceedings of the *Martin-Trigona* case, the court made clear that where a history of litigation entailing "vexation, harassment and needless expense" was presented, the district court "had the power and the obligation to protect the public and the efficient administration of justice from Martin-Trigona's litigious propensities." *In re Martin-Trigona*, 737 F.2d 1254, 1262 (2d Cir. 1984).

21. The touchstone for the strength of the sanction is whether lesser sanctions would be effective. Again, in *Martin-Trigona*, the court explained that the sanction of injunctive relief was "fully appropriate, since other sanctions would not be effective." *Id.*

22. The Supreme Court has similarly stated that district courts have strong inherent powers and discretion to impose whatever sanctions are appropriate to address the abuse of the judicial process. In *Chambers v. Nasco, Inc.*, 501 U.S. 32 (1991), the Supreme Court addressed a bad faith appeal, and in so doing explained that the inherent power of the district court to address the conduct of a party who has litigated "in bad faith, vexatiously, wantonly, or for oppressive reasons" includes the right to dismiss the action outright and so therefore also includes lesser sanctions, such as awarding attorneys' fees. *Id.* at 44-46. Although cautioning that "because of their very potency, inherent powers must be exercised with restraint and discretion," a "primary aspect of that discretion is the ability to fashion an appropriate sanction for conduct which abuses the judicial process." *Id.* at 44-45.

23. Given the pattern of harassment and abuse that is plainly shown of record herein, it is clear that this Court possesses broad equitable authority to address the conduct of Baron as necessary. The question then becomes whether the equitable tool of the appointment of a receiver is the appropriate sanction in this case.

The Court Has Equitable Power to Appoint a Receiver to Address Baron's Misconduct

24. Baron does not identify any lesser sanction that he believes would be more appropriate to address the situation, nor has one been identified by Judge Jernigan, the Trustee, the Special Master (now Receiver), or this Court. Baron instead merely attacks whether the court's equitable power includes appointing a receiver for the purpose of restraining and repairing the particular abuse of the judicial process that is presented here. He suggests that receivers may only be used to handle insolvencies. There is considerable precedent to the contrary, which he entirely overlooks.

25. A "receiver is permissible and appropriate where necessary to protect the public interest and where it is obvious . . . that those who have inflicted serious detriment in the past must be ousted." *Securities and Exchange Commission v. R. J. Allen & Associates, Inc.*, 386 F. Supp. 866, 878 (S.D. Fla. 1974) (quoting *Securities and Exchange Commission v. Bowler*, 427 F.2d 190, 198 (4th Cir. 1970)).

26. Accordingly, receivers are routinely appointed in securities enforcement actions in order to halt an ongoing securities fraud. *SEC v. R.J. Allen*, 386 F. Supp. At 878 (citing a string of cases from various circuits).

27. In fact, in an early securities enforcement receivership case, the Second Circuit specifically approved the use of a receiver on the basis that "the primary purpose of the appointment was to promptly install a responsible officer of the court who could bring the

companies into compliance with the law, ascertain the true state of affairs . . . and report thereon to the court and the public shareholders and preserve the corporate assets." *SEC v. S&P National Corp.*, 360 F.2d 741, 750-51 (2nd Cir. 1966). As the court explained, the bankruptcy system was otherwise available to handle the general insolvency matters historically handled by receivers, and so it was the need to bring about compliance with the securities laws that called for the appointment of a receiver. *Id.*

28. This use of receivers is true to the original purpose of receivers, which was to address a party who was not likely to follow a court order. As Clark explains in the leading work on receivership law, the practice of appointing receivers that American courts received as a part of their chancery jurisdiction dates to Elizabethan times and arose on the basis that "the court at times was doubtful whether or not the party in possession of property, or collecting the rents of profits of the same, could or would properly obey the injunction" CLARK ON RECEIVERS, Vol. 1, § 4, at 4 (2d ed. 1959) (see also generally sections 4-6 on the origin of receivers).

29. In addition, when the implementation of a court's intended purpose requires someone to take charge of a complex matter, a federal court is not required to micromanage the situation with a series of specific orders, but may instead place a receiver in charge. In *Dixon v. Barry*, the court held that appointment of a receiver was necessary to insure a commission's implementation of court orders related to creation of a mental health system. *Dixon v. Barry*, 967 F. Supp. 535 (D. D.C. 1997). In that case, the court made clear that "a federal court has power to take broad remedial action to effectuate compliance with its orders. This equitable power includes the power to appoint a receiver." *Id.* at 550. The court further noted that "the most significant factor in the propriety of appointing a receiver is whether any other remedy is

likely to be successful." *See also Shaw v. Allen*, 771 F. Supp. 760 (S.D. W. Va. 1990) ("Where more traditional remedies, such as contempt proceedings or injunctions, are inadequate under the circumstances a court acting within its equitable powers is justified, particularly in aid of an outstanding injunction, in implementing less common remedies, such as a receivership, so as to achieve compliance with a constitutional mandate.").

30. Finally, whether the circumstances call for the appointment of a receiver is within the sound discretion of the court. *Securities and Exchange Commission v. R. J. Allen & Associates, Inc.*, 386 F. Supp. 866 (S.D. Fla. 1974).

31. As noted above, the task here is to halt the ongoing abuse of the judicial process, sort out the damage, prevent assets from being transferred further into Baron's complex asset protection structure, and advise both this Court and the Bankruptcy Court as to the proper application of those assets to the claims. A receiver fits the bill.

32. Plainly, Baron is incorrect that receivers may only be used to handle insolvencies. The cases that he cites do not so hold, but rather simply provide for the ability to use a receiver to handle an insolvency or creditor-debtor dispute, and the standards applicable in that particular circumstance.

The Fifth Amendment Is Not a Safe Harbor from which to Abuse Due Process

33. Baron's argues, based upon *Potashnick*, that no limits can be placed upon his due process right to counsel. But, the *Potashnick* case did not address the question of whether the Court may balance the rights of other litigants against such a right, nor did it concern a vexatious litigant. *Cf. Potashnick v. Port City Const. Co.*, 609 F.2d 1101, 1117-19 (5th Cir. 1980) (holding that concerns about witness coaching do warrant a complete bar against conferring with counsel on any subject). In addition, it is obvious that the right to legal advice is subject to limitation,

since, for example, a court may plainly supervise the appearance and withdrawal of counsel notwithstanding the desires of an individual litigant. *In re Wynn*, 889 F.2d 644, 646 (5th Cir. 1989) (explaining that the trial court may allow counsel to withdraw over a client's objection because the right to counsel is merely a general right to a "fair opportunity to secure counsel of his choice"). Also, there is precedent following the *Potashnik* where a court imposed a lesser limit upon access to counsel in order to balance the due process concern of preventing witness coaching. *Reynolds v. Alabama Dept. of Transp.*, 4 F. Supp. 2d 1055, 1064-1065 (M.D. Ala. 1998) (interpreting *Potashnik* as not precluding an order to counsel and a witness not to discuss the testimony during breaks in order to prevent witness coaching).

34. Most significantly, however, given the broad statements and holdings of the courts with regard to this Court's authority to curb an abuse of the right to due process, there is no doubt that the Court may properly balance competing constitutional rights, such as the due process rights of the other participants in the process and the right and duty of this Court to protect the judicial process from abuse, such that a party who abuses his rights may lose them. In this case the Court has not denied Baron his right to counsel; it has merely tried to limit the frequency with which he changes counsel as a litigation tactic.

The Fourth Amendment Does Not Bar the Appointment of a Receiver

35. With regard to Baron's Fourth Amendment complaint, the Fifth Circuit has held that the Fourth Amendment does not bar the appointment of a receiver to take property and to obtain private information, even where a receiver turned over seized materials to federal law enforcement officials. *U.S. v. Setser*, 568 F.3d 482, 487-90 (5th Cir. 2009). Obtaining a receiver on an ex parte basis is common where there are other reasons for expedited treatment, such as the

imminent transfer of certain valuable assets to an offshore entity, which in this case the Receiver had to immediately address upon his appointment.

II. THE HARM TO OTHERS AND THE PUBLIC INTEREST SUPPORT THE ORDER.

36. Baron completely refuses to recognize the competing rights of other participants in the judicial system. Their rights to due process are no less constitutional in character than his own. The damage that he has caused will naturally result in claims that can and should be properly satisfied from his property. The harmed individuals, the courts, and the public have a strong interest in stopping his abuse of the judicial process.

37. The record shows severe damage to these parties and the public interest. A detailed appendix is submitted herewith, which includes a lengthy procedural history. The Trustee also prays for leave to submit evidence to supplement the record further at the hearing currently scheduled with regard to the motion.

38. Sadly, Baron has reacted to the appointment entirely true to form. While receivers appointed in civil enforcement cases are acquainted with encountering challenging defendants, Baron appears to be seeking to set a new record for disdain and contempt for a federal appointment. His antics disclose no interest whatsoever in even recognizing the existence of the issues that led to the appointment, much less in resolving them. Much of the damage that he identifies could be mitigated by a cooperative approach.

Conclusion

39. Thomas Jefferson is well-remembered for having said "That government is best which governs the least," and this quote is often used to support the argument for maximum personal liberty. But what many do not know is that Jefferson went on to say: "... because its people discipline themselves." Theodore Roosevelt echoed Jefferson's sentiments when he said:

"Men can't escape from being governed. They either must govern themselves or they must submit to being governed by others. If from lawlessness or fickleness, from folly or self-indulgence, they refuse to govern themselves, then most assuredly in the end they will have to be governed by the outside."

40. It would be best if Jeffrey Baron were to sit down with the Receiver and, in an orderly fashion, put right the mess that presently exists. But until that occurs, the Receiver will have to do that in his place.

WHEREFORE, PREMISES CONSIDERED, the Trustee respectfully requests that the Court deny the motion to vacate or stay.

Respectfully submitted this 10th day of December, 2010.

MUNSCH HARDT KOPF & HARR, P.C.

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ATTORNEYS FOR DANIEL J.
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FOR ONDOVA

CERTIFICATE OF SERVICE

I hereby certify that, on December 10, 2010, a true and correct copy of the foregoing document was sent to all counsel appearing of record through the Court's ECF system.

/s/ Raymond J. Urbanik

Raymond J. Urbanik

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC., MANILA	§	
INDUSTRIES, INC., AND MUNISH	§	Case No. 3:09-CV-0988-F
KRISHAN	§	
Plaintiffs,	§	
	§	
v.	§	
	§	
JEFFREY BARON AND ONDOVA	§	
LIMITED COMPANY,	§	
Defendants.	§	

**APPENDIX IN SUPPORT OF RESPONSE TO MOTION TO VACATE OR STAY
APPOINTMENT OF RECEIVER**

Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 Trustee of Ondova Limited Company ("Ondova"), hereby submits his Appendix in Support of Response to Motion to Vacate or Stay Appointment of Receiver as follows:

<u>EXHIBIT</u>	<u>DESCRIPTION OF DOCUMENT</u>
A	Emergency Motion of Trustee for Appointment of a Receiver Over Jeffrey Baron
B	Order Appointing Receiver
C	Overview of the Case and Declaration of Raymond Urbanik
1	Organization Chart
2	Docket Sheet
3	Settlement Agreement
4	Amendment to Preliminary Injunction
5	Plaintiffs' Motion on Defendants' Contempt of Court
6	Motion for Relief from Automatic Stay to Restore and Transfer Domain Names Pursuant to Preliminary Injunction Order

7	Order for Debtor to Appear and Show Cause by (A) A Chapter 11 Trustee should Not be Appointed, or Alternatively; (B) The Case Should Not be Converted to a Case Under Chapter 7 and a Chapter 7 Trustee Appointed
8	Order (1) Denying the Motion to Dismiss Bankruptcy Case Filed By Netsphere, Inc. and Manila Industries, Inc.; (2) Directing the Appointment of a Chapter 11 Trustee; (3) Continuing Certain Hearings; (4) Setting Hearing on Emergency Motion to Withdraw as Counsel for the Debtor; and (5) Setting a Status Conference
9	Trustee's Motion for Approval of Settlement Agreement Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure
10	Order Granting Trustee's Motion for Approval of Settlement Agreement Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure
11	Mutual Settlement & Release Agreement
12	Report and Recommendation to District Court (Judge Royal Furgeson): That Peter Vogel, Special Master, Be Authorized and Directed to Mediate Attorneys Fees Issues
13	Order Adopting Report and Recommendation of the United States Bankruptcy Judge
14	Ondova Limited Company (Chapter 11 Debtor) Pre-Bankruptcy Claims Filed by Lawyers or Law Firms that Baron Refused to Pay
15	Ondova – Unpaid Baron Attorneys' Fees Accrued Against Jeffrey Baron
16	Ondova Limited Company – Post-Petition Lawsuits Against Jeff Baron
17	Ondova Limited Company – Section 503(b)(9) Substantial Contribution Claims
18	Plaintiff's Second Amended Original Petition (Friedman and Feiger L.L.P. v. Baron, et al.
19	Plaintiff's Original Petition (Hall v. Baron)
20	Plaintiff's First Amended Petition (Garrey v. Harbin, et al.)
21	Docket Sheet and Plaintiff's Original Petition (Pacione v. Baron)
22	Plaintiff's Original Petition (Fee, Smith, Sharp & Vitullo, LLP v. Baron)
23	First Amended Application for Payment of Fees and Expenses as an Administrative Expense for a Substantial Contribution to the Estate

24	Motion for Allowance of Attorneys Fees Pursuant to Supplemental Settlement Agreement
25	Application of Pronske & Patel, P.C., for Payment of Fees as An Administrative Expense for A Substantial Contribution to the Estate
26	Status Conference - June 19, 2009
27	Motion to Withdraw as Counsel of Record
28	Notice of Appearance
29	Status Conference – July 1, 2009
30	Status Conference – July 9, 2009
31	Status Conference – July 28, 2009
32	Status Conference – August 18, 2009
33	Status Conference – September 10, 2009
34	Transcript of Proceedings of Emergency Motion for Relief from Stay – August 5, 2009
35	Transcript of Proceedings – September 1, 2009
36	Order for Debtor to Appear and Show Cause Why: (A) A Chapter 11 Trustee Should Not Be Appointed, or Alternatively, (B) The Case Should Not Be Converted to a Case Under Chapter 7 and a Chapter 7 Trustee Appointed
37	Transcript of Proceedings – September 11, 2009
38	Transcript of Application to Employ Lain Faulkner & Co., P.C., Motion for 2004 Examinations
39	Transcript of Proceedings – July 12, 2010
40	Transcript of Proceedings Regarding Status Conference, Motion to Withdraw as Attorney – September 15, 2010
41	Report and Recommendation to District Court (Judge Royal Furgeson): That Peter Vogel, Special Master, Be Authorized and Directed to Mediate Attorneys Fees Issues

Respectfully submitted,

MUNSCH HARDT KOPF & HARR, P.C.

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CERTIFICATE OF SERVICE

I hereby certify that, on December 10, 2010, a true and correct copy of the foregoing document was sent to all counsel appearing of record through the Court's ECF system.

/s/ Raymond J. Urbanik
Raymond J. Urbanik

EXHIBIT A

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ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., ET AL.,
PLAINTIFFS

v.

JEFFREY BARON, ET AL.,
DEFENDANTS.

§
§
§
§
§
§
§

Case No. 3:09-CV-0988-F

**EMERGENCY MOTION OF TRUSTEE FOR
APPOINTMENT OF A RECEIVER OVER JEFFREY BARON**

TO THE HONORABLE ROYAL FURGESON, U.S. DISTRICT COURT JUDGE:

COMES NOW Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 trustee of Ondova Limited Company ("Ondova"), and files his *Emergency Motion of Trustee for Appointment of a Receiver over Jeffrey Baron* (the "Motion"), respectfully stating as follows:

I. BACKGROUND

1. On October 13, 2010, the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Case") entered its *Report and Recommendation to District Court (Judge Royal Furgeson): That Peter Vogel, Special Master, Be Authorized and Directed to Mediate Attorneys Fees Issues* [Docket No. 484] (the "Bankruptcy Court's Report and Recommendation") in the bankruptcy case of Ondova, styled *In re Ondova Limited Company*, Case No. 09-34784 (the "Bankruptcy Case"). A copy of the Bankruptcy Court's Report and Recommendation is attached hereto as Exhibit "A." On the same day, the Bankruptcy Court

filed its Report and Recommendation with this Court. On October 19, 2010, this Court adopted the Bankruptcy Court's Report and Recommendation in its entirety.

2. The Bankruptcy Court's Report and Recommendation addressed Mr. Jeffrey Baron's continuing and disturbing pattern of hiring and firing attorneys. In the Bankruptcy Court's Report and Recommendation, the Bankruptcy Court stated that it would no longer tolerate such behavior and that it would not allow Mr. Jeffrey Baron ("Baron") to hire any additional lawyers. In fact, the Bankruptcy Court gave Baron two options: (1) retain Gary Lyons and Martin Thomas through the end of the Bankruptcy Case, or (2) proceed *pro se*. If Baron chose the latter opinion, the Bankruptcy Court advised Baron that it would recommend to this Court that it appoint a receiver over Mr. Baron and all of his assets.

II. RECENT DEVELOPMENTS

3. At a hearing on Wednesday, November 17, 2010, Martin Thomas advised the Bankruptcy Court that he was terminating his legal representation of Mr. Baron. Mr. Thomas advised the Bankruptcy Court that he had not been paid, that Mr. Baron had filed a grievance against him and that Mr. Baron had committed to attend the hearing on November 17, 2010 but failed to show up. The failure of Mr. Baron to show up on November 17, 2010 was disruptive for several reasons including that Mr. Baron was advised by Mr. Thomas that he needed to attend in order to raise objections to the Trustee's Motion for Authority to Reject Executory Contracts with The Internet Corporation for Assigned Names and Numbers ("ICANN") filed by the Trustee ("ICANN Motion") in the Bankruptcy Case, at Mr. Baron's request, on November 3, 2010. Mr. Thomas had advised Mr. Baron that he was withdrawing and would not make the objections Mr. Baron was requesting be made to the ICANN Motion. Mr. Thomas has recently advised the Trustee that he himself has had to engage counsel to handle matters with Mr. Baron.

4. Additionally, on November 19, 2010, one of Mr. Baron's other attorneys, Gary Lyon, advised the undersigned counsel for the Trustee that Baron has hired a new attorney to represent Baron in connection with matters pertaining to the Bankruptcy Case. That attorney is

Sydney Chisnen. This new attorney may have assisted Mr. Lyon in the pleading filed on November 19, 2010 entitled: Jeffrey Baron's Limited Objection to the Third Interim Fee Application of Munsch Hardt Kopf & Harr, P.C.

5. On November 22, 2010, the undersigned counsel received by email a copy of a lawsuit brought by a new attorney for Mr. Baron named Robert J. Garrey. A true and correct copy of Mr. Garrey's First Amended Petition filed in Collin County, Texas, 366th Judicial District Court is attached as Exhibit "B". Mr. Garrey's lawsuit raises serious allegations against Mr. Baron.

6. Finally, undersigned counsel has been contacted by two attorneys participating in the mediation efforts regarding unpaid attorney fees incurred by Baron. One attorney has advised that Baron and his legal team have failed to communicate with him regarding the mediation procedure. That particular attorney has also advised the Trustee that Stan Broome, an attorney who Baron hired to participate for Baron with respect to the attorney fee mediations, has resigned effective November 22, 2010. Mr. Broome has advised other parties that he has not been paid for his services. A copy of the motion filed by Mr. Broome to withdraw in the adversary proceeding is attached as Exhibit "C".

7. Another former Baron attorney, who is owed a smaller amount of attorney fees, has contacted counsel for the Trustee frustrated that Mr. Baron's attorneys are not being responsive to him in efforts in trying to settle the legal fee claim without participating in the mediation sessions with Peter Vogel. It is clear that Baron is not cooperating in the process outlined by this Court in its Order of October 13, 2010 regarding the mediation process. Attorneys who may otherwise seek to participate in the mediation process are reluctant to do so because they believe Mr. Baron will not fully cooperate, will delay mediation efforts by engaging new attorneys unfamiliar with the background of matters and will be generally uncooperative.

8. Mr. Baron is continuing to hire and fire attorneys. The Trustee believes that Mr. Baron has hired new attorneys who act as personal counsel to interfere with Mr. Martin and Mr.

Lyon who are Mr. Baron's attorneys in the Bankruptcy Case.

9. The Trustee believes that Baron's behavior will continue and will delay the wind down of the bankruptcy estate of Ondova and the Bankruptcy Case, which will, in turn, delay and, depending on the administrative costs of continuing to fight Baron and the Trusts, potentially reduce distributions to the Ondova's creditors

III. RELIEF REQUESTED

10. In accordance with the Bankruptcy Court's Report and Recommendation, the Trustee respectfully requests the appointment of a receiver over Jeffery Baron and all of his assets – including all the entities and trusts that he either controls or is a beneficiary of – pursuant to Rule 66 of the Federal Rules of Civil Procedure and 28 U.S.C. §§ 754 and 1692.

11. Admittedly, the appointment of a receiver is an extraordinary remedy. However, this Court has broad discretion to analyze the circumstances at hand and, if appropriate, to appoint a receiver even if there is no allegation of fraud. *See, e.g., Aviation Supply Corp. v. R.S.B.I. Aerospace, Inc.*, 999 F.2d 314, 317 (8th Cir. 1993) (court's decision to appoint a receiver is discretionary and does not require proof of fraud as support); *Citronelle-Mobile Gathering, Inc. v. Watkins*, 934 F.2d 1180, 1184 (11th Cir. 1991).

12. As set forth above, Baron has continually disregarded the Bankruptcy Court's warnings and orders and has continued to hire and fire lawyers at an alarming rate. Such actions have, and will continue, to frustrate the administration of the Bankruptcy Case and the bankruptcy estate of Ondova. Furthermore, Baron's actions will also continue to place Ondova's bankruptcy estate (and, thus, recoveries to its rightful creditors) at risk due to a continued stream of Baron's attorneys' making claims against Ondova and its bankruptcy estate.

13. Therefore, the appointment of a receiver is necessary under the circumstances in order to remove Baron from control of his assets and end his ability to further hire and fire a growing army of attorneys.

14. The Trustee recommends to this Court that Peter Vogel, currently the Special Master in this case, be appointed receiver in light of his involvement and experience in this case.

IV. PRAYER

WHEREFORE, PREMISES CONSIDERED, the Trustee respectfully requests that the Court appoint a receiver over Baron and all of his assets, effective immediately.

Respectfully submitted this 24th day of November, 2010.

MUNSCH HARDT KOPF & HARR, P.C.

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**ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I hereby certify that, on November 24, 2010, a true and correct copy of the foregoing document was sent to all parties requesting electronic service through the Court's ECF system as well as the following parties via e-mail:

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/s/ Raymond J. Urbanik
Raymond J. Urbanik

EXHIBIT "A"

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE DATE OF ENTRY IS
ON THE COURT'S DOCKET
TAWANA C. MARSHALL, CLERK

IN RE:

ONDOVA LIMITED COMPANY,
DEBTOR.

Case No. 09-34784-SGJ-11

NETSPHERE, INC., ET AL.,
PLAINTIFFS,

VS.

Civil Action No. 3-09CV0988-F

JEFFREY BARON, ET AL.,
DEFENDANTS.

REPORT AND RECOMMENDATION TO DISTRICT COURT

(JUDGE ROYAL FURGESON):

THAT PETER VOGEL, SPECIAL MASTER, BE
AUTHORIZED AND DIRECTED TO MEDIATE ATTORNEYS FEES ISSUES

The undersigned bankruptcy judge makes this Report and Recommendation to the Honorable Royal Furgeson, who presides over litigation related to the above-referenced bankruptcy case styled *Netsphere v. Baron*, Case # 3-09CV0988-F (the "District Court Litigation"). The purpose of this submission is: (a) to report the status of certain matters pending before the bankruptcy court, that are related to the District Court Litigation; and (b)

to recommend that His Honor appoint Peter Vogel, Special Master in the District Court Litigation, to mediate issues relative to attorneys fees that are further described below.

I. BACKGROUND.

The bankruptcy court has held four status conferences in recent weeks in connection with the above-referenced bankruptcy case (on September 15, 22, and 30, 2010 and October 8, 2010). The bankruptcy court has heard reports and evidence at each status conference regarding the extent to which the so-called "Global Settlement Agreement" has been consummated. The "Global Settlement Agreement" refers to the Mutual Settlement and Release Agreement approved by the bankruptcy court on July 28, 2010 [see Order at Docket No. 394]¹, involving, among other things: (a) dozens of parties, but primarily the Ondova bankruptcy estate (through Chapter 11 Trustee, Daniel Sherman), Jeffrey Baron, the Manilla/NetSphere parties, the Village Trust, the MMSK Trust, and various United States Virgin Island entities; (b) a split of a portfolio of internet domain names; (c) certain payments to the Ondova bankruptcy estate by Manilla/NetSphere and the Village Trust; (d) the settlement of more than a half-dozen lawsuits involving Ondova and/or Jeffrey Baron; and (e) a broad release of claims. While the bankruptcy court has heard positive statements

¹ All docket number references herein refer to the docket entry numbers on the PACER/ECF docket maintained in the *In re Ondova Limited Company* ("Ondova") bankruptcy case (Case No. 09-34784-sgj-11).

from the Chapter 11 Trustee indicating that there has been substantial consummation of the Global Settlement Agreement (i.e., payment of more than one million dollars of settlement funds to the Ondova bankruptcy estate by Manilla/NetSphere; payment of certain additional settlement funds to the Ondova bankruptcy estate from the Village Trust; dismissals of all lawsuits except for the District Court Litigation;² appointment of a successor Trustee and Protector over the Village Trust; steps toward transferring the so-called "Odd Names Portfolio" portion of the internet domain names to a new Registrar away from Ondova), the bankruptcy court has had lingering concerns at each of the status conferences regarding Jeffrey Baron's commitment to completing his obligations under the Global Settlement Agreement, and possibly taking actions to frustrate the Global Settlement Agreement. Part of the bankruptcy court's concerns in this regard have been fueled by the fact that Jeffrey Baron has continued to hire and fire lawyers for himself and certain entities that are parties to the Global Settlement Agreement (e.g., Quantec), and has instructed such lawyers to file pleadings—even after entry into the Global Settlement Agreement—

² The District Court Litigation, as well as the bankruptcy case of Ondova, remain open, so that there will be fora in which the parties can seek relief to enforce or interpret the Global Settlement Agreement. Additionally, there is remaining case administration needed in the Ondova bankruptcy case (namely, resolution and payment of claims—now that there are funds to pay creditors).

as though the matters resolved in the Global Settlement Agreement are far from over.

But the concern over the hiring-and-firing of lawyers is even more problematic than what the bankruptcy court mentions above. The bankruptcy court has had a growing concern that Jeffrey Baron's actions *may be exposing the Ondova bankruptcy estate to possible administrative expense claims* for amounts owed to attorneys that *Jeffrey Baron should pay or entities with which he is connected (Quantec, Village Trust, etc.) should rightfully pay*. To further explain, the court summarizes below some of what has occurred before and after the Global Settlement Agreement was reached.

II. THE CAVALCADE OF ATTORNEYS.

When Jeffrey Baron started hiring and firing lawyers shortly after the Global Settlement Agreement was reached, the bankruptcy court took judicial notice (at a September 15, 2010 status conference) that Jeffrey Baron and Ondova have had *dozens of sets of lawyers* in the past four years, since the litigation with Manilla/NetSphere and other parties commenced. At least the following lawyers have served as former counsel to Ondova and/or Jeffrey Baron in the litigation with Manilla/NetSphere that started in the state district court in Dallas County (before the next phase of litigation between the parties started in the District Court Litigation): (i) Mateer & Schaffer; (ii)

Carrington Coleman Sloman & Blumenthal; (iii) Bickel & Brewer; (iv) The Beckham Group; (v) The Aldous Law Firm; (vi) The Rasansky Law Firm; (vii) Fee Smith Sharp & Vitullo; and (viii) Friedman & Feiger.

Additionally, far more than a dozen attorneys' names were listed in Ondova's Bankruptcy Schedules (Schedule F—the list of pre-bankruptcy unsecured creditors of Ondova) as being owed significant sums of money by Ondova (not the least of which was the Carrington Coleman law firm, that filed a claim for \$224,233.27, and Bickel & Brewer which is scheduled as being owed \$42,500).

Fast forwarding to the post-bankruptcy time period, at least the following lawyers have become engaged by Jeff Baron or entities he directs (or is the ultimate owner/beneficiary of) *since* the Ondova bankruptcy case was filed: (i) Paul Keiffer (Wright, Ginsburg & Brusilow) for Ondova;³ (ii) Gerrit Pronske (Pronske & Patel) for Jeffrey Baron individually;⁴ (iii) Steven

³ Mr. Keiffer and his firm filed an application to be employed by Ondova on July 29, 2009 [Doc. No. 5], which application was granted by this court [Doc. No. 57]. Then, Mr. Keiffer moved to withdraw just a month-and-a-half later, on September 11, 2009 [Doc. No. 83], which the court granted on October 1, 2009 [Doc. No. 108].

⁴ Pronske & Patel moved to withdraw from representing Jeffrey Baron on September 7, 2010, after representing Mr. Baron for many months in the bankruptcy case [Doc. No. 419], citing nonpayment of more than \$200,000 of fees during the Ondova bankruptcy case, conflicts of interest—as Jeffrey Baron has now sued them—and also a concern that Jeffrey Baron may be engaging in fraudulent transfers. This request to withdraw was granted by the bankruptcy court [Doc. No. 449].

Jones for Jeffrey Baron individually;⁵ (iv) Gary Lyon for Jeffrey Baron individually;⁶ (v) Dean Ferguson for Jeffrey Baron individually;⁷ (vi) Martin Thomas for Jeffrey Baron individually;⁸ (vii) Stanley Broome for Jeffrey Baron individually;⁹ and (viii) James Eckles for Quantec.¹⁰ Several

⁵ Mr. Jones made a brief cameo appearance as criminal counsel to Mr. Baron during the Ondova bankruptcy case on September 11 and 28, 2009.

⁶ Attorney Gary Lyon, who has been representing Jeffrey Baron individually for many months in the bankruptcy court and District Court, recently requested to have attorney Martin Thomas substituted in his place or approved as co-counsel with him [see, e.g., Doc. No. 458]. For the first time, Mr. Lyon announced in September 2010 that he is only admitted to practice law in the State of Oklahoma, although admitted in the courts in the Northern District of Texas, and Mr. Lyon felt this was an ethical problem unless he associated with co-counsel (here, suggesting Martin Thomas).

⁷ Dean Ferguson appeared for Jeffrey Baron individually at one hearing in the Ondova bankruptcy case (on September 15, 2010) and said he had been representing Jeffrey Baron for some time in connection with out-of-court negotiations relating to the Ondova bankruptcy case, but he would not be seeking to go forward because of non-payment of fees.

⁸ Attorney Martin Thomas (who has newly filed a notice of appearance in the bankruptcy case) [Doc. No. 37, filed on September 14, 2010] seeks to be primary counsel now to Jeffrey Baron individually. The court signed an order on October 12, 2010 allowing Martin Thomas to represent Mr. Baron (with Gary Lyon) in the bankruptcy case.

⁹ Attorney Stanley Broome (who has newly sued Pronske & Patel for Jeffrey Baron in September 2010) has filed a notice of appearance for Jeffrey Baron in the bankruptcy case [Doc. No. 438, filed September 15, 2010].

¹⁰ Attorney James Eckles filed a notice of appearance for Quantec, LLC on September 21, 2010 [Doc. No. 450]. He has already filed a request that the court interpret part of the Global Settlement Agreement in a way that the court found unsupportable. His request was stricken. It appears to the bankruptcy court that Mr. Eckles is acting primarily for Mr. Baron, individually. He admitted that he had

lawyers have appeared for the Virgin Island entities of which Jeffrey Baron is the beneficiary including (i) Eric Taube (Hohmann, Taube & Summers), (ii) Hitchcock Everitt LLP, (iii) Craig Capua (West & Associates, LLP), and (iv) Shririg Jete Becket Tackett.

Jeffrey Baron's habit of hiring and then firing lawyers, in many cases after they have incurred significant fees on his or Ondova's behalf (or on behalf of other entities he controls or is beneficiary of), has grown to a level that is more than a little disturbing. As the court noted in court on September 15, 2010, at the very least, it smacks of the possibility of violating Rule 11 (i.e., it suggests a pattern of perhaps being motivated by an improper purpose, such as to harass, cause delay, or needlessly increase the cost of litigation for other parties). Still more troubling is the possibility to the court that Jeffrey Baron may be engaging in the crime of theft of services. See Texas Penal Code §§ 31.01(6) & 31.04 ("A person commits theft of service if, with intent to avoid payment for service that he knows is provided only for compensation: (1) he intentionally or knowingly secures performance of the service by deception, threat, or false token"; "services" includes "professional services"). This crime can be a misdemeanor or a felony—depending on the amount involved. If Jeffrey Baron is constantly engaging lawyers

represented Mr. Baron individually in another matter.

without ever intending to pay them the full amounts that they charge, and then terminating them when they demand payment, this court is troubled that there are possibly criminal implications for Jeffrey Baron.

The bankruptcy court has announced that it will not allow this pattern to occur any further in these proceedings, and Jeffrey Baron will not be allowed to hire any additional attorneys. Mr. Baron has been told that he can either retain Gary Lyon and Martin Thomas through the end of the bankruptcy case (which this court does not expect to last much longer) or he can proceed *pro se*. The bankruptcy court has further warned Mr. Baron that if he chooses to proceed *pro se* and does not cooperate in connection with final consummation of the Global Settlement Agreement, he can expect this court to recommend to His Honor that he appoint a receiver over Mr. Baron, pursuant to 28 U.S.C. §§ 754 & 1692, to seize Mr. Baron's assets and perform the obligations of Jeffrey Baron under the Global Settlement Agreement.¹¹

III. RECOMMENDATION.

As alluded to above, the bankruptcy court's concerns over the above hiring and firing of lawyers by Mr. Baron is multi-faceted (e.g., Rule 11 implications; frustration of the Global

¹¹ The bankruptcy court is concerned that it would not have the power to appoint a receiver over Mr. Baron, due to language in section 105(b) of the Bankruptcy Code.

Settlement Agreement; possible criminal theft of services, etc.). But, at this juncture, the bankruptcy court is perhaps most concerned about the risk that the bankruptcy estate has and will be exposed to administrative expense claims as a result of Mr. Baron's behavior (e.g., claims occurring during the post-bankruptcy time period, with regard to which payment may be sought from the Ondova bankruptcy estate, and which claims would "prime" pre-bankruptcy unsecured claims). For example, the Pronske & Patel law firm has taken the position that they are owed and have not been paid approximately \$200,000 incurred representing Mr. Baron. Pronske & Patel may seek a "substantial contribution" administrative expense claim against the Ondova bankruptcy estate (see 11 U.S.C. §503(b)(3)(D) & (4), which contemplate that an administrative expense claim may be allowed for a creditor or professional for a creditor who makes a "substantial contribution" in a case under chapter 9 or 11 of this title). Pronske & Patel have already filed a counterclaim against Mr. Baron in an adversary proceeding Mr. Baron has filed against them. Similarly, certain law firms who have represented the Virgin Island entities of which Jeffrey Baron is the beneficiary (specifically, Hohmann, Taube & Summers, Hitchcock Everitt LLP, West & Associates, LLP, and Shrurig Jete Becket Tackett) have filed a Motion for Allowance of Attorneys Fees Pursuant to the Supplemental Settlement Agreement in the Ondova

bankruptcy case [Doc. No. 452, on September 21, 2010], which represents that they have incurred approximately \$150,000 in fees, after the execution of the Global Settlement Agreement, as a result of status conferences and Show Cause hearings involving Mr. Baron and his entities and that there are specific provisions of certain settlement documents that may permit them to seek a court order allowing these to be paid. If the Ondova bankruptcy estate is imposed with administrative expense claims from these or other attorneys (the risk of which appears to be genuine), then it should be entitled to a claim for reimbursement against Mr. Baron or the entity that incurred the fees. It was because of this risk—and also because of the risk that the bankruptcy court believed it might ultimately find Jeffrey Baron in contempt of the bankruptcy court's order approving the Global Settlement Agreement—that the court ordered on September 16, 2010 [Doc. No. 441] that the Village Trust be instructed by Jeffrey Baron to immediately remit \$330,000 to the Ondova Bankruptcy Trustee as a "security deposit" against these risks. Bankruptcy Trustee Daniel Sherman currently holds this \$330,000 of funds, pending further orders of the court.

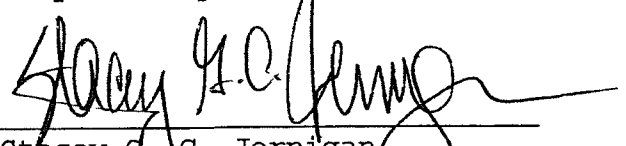
The bankruptcy court now recommends that His Honor appoint his Special Master, Peter Vogel, to conduct a global mediation among Daniel Sherman, Jeffrey Baron, and the various attorneys who may make a claim to this \$330,000 of funds or otherwise may

assert an administrative expense claim against the Ondova bankruptcy estate, in respect of attorneys fees they incurred postpetition for services provided to Jeffrey Baron or entities he controls or is the beneficiary of, and which services may have provided a substantial contribution to the estate. This court has subject matter jurisdiction to make this recommendation, as there could conceivably be an impact on the Ondova bankruptcy estate, if attorneys who represented Jeffrey Baron and his related entities go unpaid and make "substantial contribution" claims against the bankruptcy estate. The bankruptcy court believes that some of these "substantial contribution" claims could be meritorious.

The bankruptcy court has been informed that Mr. Vogel agrees to perform a mediation and that he and Bankruptcy Trustee Sherman are prepared to recommend a format and structure for the mediation and for the participants. The bankruptcy court would defer to Mr. Vogel, Mr. Sherman, and His Honor with regard to the details of the mediation.

Dated: October 12, 2010

Respectfully submitted,



Stacey G. C. Jernigan
United States Bankruptcy Judge

EXHIBIT "B"

CAUSE NO. 366-04714-2010

ROBERT J. GARREY,

IN THE DISTRICT COURT

Plaintiff

v.

COLLIN COUNTY, TEXAS

**JEFFREY HARBIN, JEFFREY
BARON, THE VILLAGE TRUST,
QUANTEC LLC, AND NOVO
POINT LLC,**

Defendants.

366 JUDICIAL DISTRICT

PLAINTIFF'S FIRST AMENDED PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff files this lawsuit against Defendants Jeffrey Harbin, Jeffrey Baron, The Village Trust, Quantec LLC, Novo Point, LLC, as follows:

PARTIES

1. This lawsuit should be governed by Level II.
2. Plaintiff is a resident of Collin County Texas. Jurisdiction and venue are proper in the Court.
3. Defendant Harbin is a resident of Dallas County, Texas, and may be served where he is found or at his residence 6503 Camille Ave., Dallas, Texas 75252.
4. Defendant Baron is a resident of Dallas County, Texas, and may be served where he is found or at his residence 2200 E. Trinity Mills Road, Carrollton, Texas 75006.
5. Defendant The Village Trust, is a Cook Islands trust acting by and through its sole beneficiary, Baron. The "nominal" Trustee of the Trust is Mr. Brian Mason who is located at Asia Trust Ltd, Level 2, BCI House, P.O Box 822, Rarotonga, Cook Islands. Corporate

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 HANNAH KUNKLE
 DISTRICT CLERK
 COLLIN COUNTY, TEXAS
 BY *Kellene*

formalities have been ignored such that service on Defendant Baron, the sole beneficiary of the trust and the person directing its activities, is sufficient to constitute service of citation on The Village Trust. In addition, the Trust has consented to jurisdiction of the State of Texas by participating in legal proceedings in Texas, maintaining an office in Texas, and allowing Baron to manipulate the form of the Trust as part of his scheme to defraud creditors of the bankruptcy of one of his companies, Ondova Limited.

6. Quantec LLC is one of the shell entities controlled by Baron and, upon information and belief, is used as a shell entity to hide assets from Baron's creditors and creditors of Baron's former company, Ondova Limited. Quantec LLC is managed by Defendant Harbin. Corporate formalities have been disregarded and Baron directs and controls the activities of Quantec by and through Harbin, such that service on Harbin, the "Managing Agent" of Quantec LLC is sufficient to constitute service of citation on Quantec LLC.

7. Novo Point LLC is one of the shell entities controlled by Baron and, upon information and belief, is used as a shell entity to hide assets from Baron's creditors and creditors of Baron's former company, Ondova Limited. Novo Point LLC is managed by Defendant Harbin. Corporate formalities have been disregarded and Baron directs and controls the activities of Novo Point LLC by and through Harbin, such that service on Harbin, the "Managing Agent" of Novo Point LLC is sufficient to constitute service of citation on Novo Point LLC.

FACTS

8. Defendant Baron is a liar, cheat and thief. For more than three years he has embarked upon a plan and scheme to use shell companies and The Village Trust to defraud creditors and to circumvent orders from federal District Court and Bankruptcy Court judges.

Specifically, Baron-through his shell companies Quantec LLC and Novo Point LLC and the Village Trust- and with the assistance of Harbin routinely hire attorneys to represent their illegal interests then promptly refuse to pay them for the services rendered. Baron has been noted as a vexatious litigant by more than one Court, he has been accused of seeking to defraud creditors in a pending bankruptcy and he has violated court orders restricting his further ability to hire more lawyers. At the present time more than 15 lawyers and law firms are seeking recovery of money, ordered to be set aside by court order, for legal services rendered to Baron and The Village Trust and other entities controlled by Baron.

9. Baron, acting on his own behalf and on behalf of the entities he controls, and Harbin as the "Managing Agent" for Quantec LLC, and Novo Point, LLC hired Plaintiff as General Counsel for a minimum 3 month engagement. Defendants made promises to Plaintiff that he would be paid, that sufficient cash resources existed for him to be paid and that the operation Baron was running was adequately funded and presented an ongoing, viable business opportunity. However, none of that was true. Moreover, Defendants concealed from Plaintiff the true objective of their enterprise which was to circumvent court orders, continue a pattern of theft of legal services, and seek to disregard and flaunt court orders from federal District Court and Bankruptcy Court Judges. Based upon the promises made and without the benefit of the information withheld from him, Plaintiff left his law firm position and began work for Defendants on November 1, 2010. Before doing so, Plaintiff negotiated and the parties agreed to an engagement agreement with a minimum three month term.

10. Immediately upon reporting to work on November 1, 2010, Defendants changed the scope of Plaintiff's assignments. Instead of performing services as General Counsel for Quantec and Novo Point, Plaintiff was instructed by Baron to violate court orders, engage in

numerous questionable, if not fraudulent, transactions, and specifically assist him as he sought to steal legal services from private attorneys working for him directly and for his shell companies. The primary objective of Baron's conspiracy was to leverage the stolen legal services from *current* attorneys to pay as little money as possible to *previous* attorneys who were making claims against him and his shell companies in related litigation.

11. The second, and perhaps more egregious objective of Baron's conspiracy was the fact that Baron, upon information and belief, operated his shell companies- with the assistance of Harbin- as a common enterprise; moving money from one entity to another and directing the activities of all of the entities solely for his personal best interests in an attempt to emerge with ample financial resources from the shell entities to reconstitute his bankrupt company, Ondova Limited.

12. Once Plaintiff started to work for Defendants, Harbin became unavailable to Plaintiff. Harbin refused to take Plaintiff's calls or respond to emails. Also, Harbin refused to formally sign the engagement agreement that had been negotiated and agreed to by all parties.

13. The first payment due Plaintiff was due on November 15, 2010, and Harbin refused to pay it. His refusal is without cause or justification. Defendants refused to pay Plaintiff because he was advocating for the payment of all attorneys rendering services to Defendants and he was not in favor of violating court orders and refused to do so. All conditions precedent to the payment obligation have been performed. Indeed, in hindsight it appears very clear that Baron and Harbin's actions were part of an overall plan and conspiracy to steal legal services, perpetrate a fraud on Plaintiff and on various courts, in addition to breaching the agreement with Plaintiff.

CAUSES OF ACTION

7. Defendants entered into an agreement with Plaintiff pursuant to which Plaintiff was to provide legal services as General Counsel for Defendants for a minimum 3 month period of time. Plaintiff started work on November 1, 2010. The first payment was due Plaintiff on or before November 15, 2010. Defendants failed to pay Plaintiff as required. Thus, Defendants have breached the engagement agreement by failing and refusing to pay Plaintiff the sums agreed upon despite Plaintiff's work for Defendant. In the alternative, Plaintiff has provided services to Defendants for which he has not been paid and recovery, via quantum meruit is appropriate.

8. Defendant Harbin, acting individually and on behalf of the entities he managed, and Baron, acting individually and on behalf of the entities he controlled: The Village Trust, Quantec LLC and Novo Point LLC, made numerous false and misleading statements intended to induce Plaintiff to leave his law firm position to take the position of General Counsel for Defendants' various companies. At the time Defendants made such representations, they knew or should have known such statements were false, that they had no intention of following through with any of them, including, but not limited to payment to Plaintiff for services provided. In fact, Defendants expressly concealed from Plaintiff their pattern and practice of regularly hiring attorneys, requiring them to perform a great deal of work in a short period of time, and refusing to pay for such services, or their plan to seek to circumvent federal court orders. ***Defendants regularly lie, cheat and steal professional services!*** Plaintiff has suffered actual and consequential damages as a result of Defendants' fraud.

9. Defendants' actions were carried out intentionally, with malice and a specific intent to deceive. As a result the imposition of punitive damages is warranted.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiff respectfully requests that this Court, after final trial award: actual damages for breach of contract, attorneys fees and court costs, all actual damages resulting from Defendants' fraud, and an appropriate sum for punitive damages to punish and deter Defendants from continuing their fraudulent practices. Total damages sought will be no less than \$1,000,000.00.

Respectfully submitted,

By: Robert J. Garrey

Robert J. Garrey, P.C.
State Bar No. 07703420

114 Salsbury Cir.
Murphy, Texas 75094
(214) 478 9625 (Telephone)
bgarrey@gmail.com

EXHIBIT "C"

Stanley D. Broome
BROOME LAW FIRM, PLLC
105 Decker Court, Suite 850
Irving, TX 75062
214-574-7500 – Telephone
214-574-7501 – Facsimile
Email: SBroome@Broomelegal.com

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	CASE NO. 09-34784-sgj-11
	§	Chapter 11
ONDOVA LIMITED COMPANY,	§	
	§	
Debtor.	§	CIVIL ACTION NO.
<hr/>		
JEFF BARON	§	ADV. NO. 10-03281-sgj
	§	
Plaintiff,	§	
	§	
vs.	§	
	§	
GERRIT PRONSKE, INDIVIDUALLY	§	
and PRONSKE & PATEL, P.C.	§	
	§	
Defendants.	§	

STANLEY D. BROOME’S MOTION TO WITHDRAW AS ATTORNEY OF RECORD

(FILED SUBJECT TO MOTION TO REMAND)

Stanley D. Broome asks this court to allow him to withdraw as attorney in charge for Plaintiff, Jeff Baron.

1. This motion is filed subject to the pending motion to remand and while the case is abated pending an agreed mediation.
2. Plaintiff is Jeff Baron. Defendant is Gerrit Pronske, Individually and Pronske & Patel, P.C.

3. Plaintiff sued Defendant in State Court for unconscionable fee, failure to agree upon the terms in advance, failure to properly handle the legal representation and full disgorgement of fees.

4. There is good cause for this court to grant the motion to withdraw because Plaintiff has not paid the movant's attorney's fees as agreed.

5. This case is currently abated pending a decision on the previously filed motion to remand and an agreed mediation. Jeff Baron and Defendant have agreed to mediate this dispute before an agreed mediator, Joyce Lindauer, on December 3, 2010. Ms. Lindauer's office information is 8140 Walnut Hill Lane, Suite 301, Dallas, TX 75231, telephone 972-503-4033 and facsimile 972-503-4034. Movant has made Jeff Baron and his new counsel, Sid Chesnin, aware of this date and served them with a copy of this pleading. There are no other pending deadlines.

6. Counsel for the Plaintiff has delivered a copy of this motion to Plaintiff Jeffrey Baron and his new counsel, Sid Chesnin, and has notified them in writing of the right to object to the motion.

7. Jeff Baron and his new counsel, Sid Chesnin, were provided a copy of this motion in advance and object to the motion.

CONCLUSION

8. Stanley D. Broome is requesting that this Court allow him to withdraw as attorney in record for Plaintiff due to the fact that the Plaintiff has failed to pay movant's legal fees in this matter. For this reason, Stanley D. Broome asks this court to grant his Motion to Withdraw as attorney in charge for Plaintiff.

Respectfully submitted,

BROOME LAW FIRM, PLLC

/s/ Stanley Broome

Stanley Broome
State Bar No. 24029457

Broome Law Firm, pllc
105 Decker Court, Suite 850
Las Colinas TX 75062
214-574-7500 Telephone
214-574-7501 Facsimile
Attorney for Plaintiff Jeff Baron

CERTIFICATE OF CONFERENCE

I hereby certify that counsel for the movant and Gerrit Pronske, counsel for the Defendants, conducted a conversation on November 17, 2010 and there is no objection to this Motion to Withdraw.

/s/ Stanley Broome

Stanley Broome

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of Notice of Hearing was served on 23rd day of November 2010 on all counsel of record via the Court's ECF System and in the manner shown below:

VIA REGULAR MAIL AND ELECTRONIC MAIL

To: Gerrit Pronske
Pronske & Patel, P.C.
2200 Ross Avenue, Suite 5350
Dallas, Texas 75201

And by CM RRR and E-Mail to:

Jeff Baron (CM RRR 7008 1140 0002 5072 1767)
2828 Trinity Mills Road, Ste 130
Carrollton, TX 75006

Sid Chesnin (CM RRR 7008 1140 0002 5072 1774)
Attorney for Jeff Baron
4841 Tremont Street, Ste 9
Dallas, TX 75246

Joyce Lindauer (CM RRR 7008 1140 0002 5072 1781)
Mediator
8140 Walnut Hill Lane, Ste 301
Dallas, TX 75231

/s/ Stanley Broome
Stanley Broome

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE INC.,	§	
MANILA INDUSTRIES, INC.; and	§	
MUNISH KRISHAN	§	
	§	
Plaintiffs,	§	
vs.	§	CIVIL ACTION NO. 3-09CV0988-F
	§	
JEFFREY BARON and	§	
ONDOVA LIMITED COMPANY,	§	
Defendants	§	

ORDER APPOINTING RECEIVER

The Court hereby appoints a receiver and imposes an ancillary relief to assist the receiver as follows:

APPOINTMENT OF RECEIVER

IT IS HEREBY ORDERED that Peter S. Vogel is appointed Receiver for Defendant Jeffrey Baron with the full power of an equity receiver. The Receiver shall be entitled to possession and control over all Receivership Assets, Receivership Parties and Receivership Documents as defined herein, and shall be entitled to exercise all powers granted herein.

RECEIVERSHIP PARTIES, ASSETS, AND RECORDS

IT IS FURTHER ORDERED that the Court hereby takes exclusive jurisdiction over, and grants the Receiver exclusive control over, any and all "Receivership Parties", which term shall include Jeffrey Baron and the following entities:

- Village Trust, a Cook Islands Trust
- Equity Trust Company IRA 19471
- Daystar Trust, a Texas Trust
- Belton Trust, a Texas Trust
- Novo Point, Inc., a USVI Corporation
- Iguana Consulting, Inc., a USVI Corporation
- Quantec, Inc., a USVI Corporation
- Shiloh, LLC, a Delaware Limited Liability Company
- Novquant, LLC, a Delaware Limited Liability Company

Manassas, LLC, a Texas Limited Liability Company
Domain Jamboree, LLC, a Wyoming Limited Liability Company
ID Genesis, LLC, a Utah Limited Liability Company

and any entity under the direct or indirect control of Jeffrey Baron, whether by virtue of ownership, beneficial interest, a position as officer, director, power of attorney or any other authority or right to act. The Court hereby enjoins any person from taking any action based upon any presently existing directive from any person other than the Receiver with regard to the affairs and business of the Receivership Parties, including but not limited to proceeding with the transfer of a portfolio of internet domain names ("Domain Names") for which Ondova Limited Company ("Ondova") acted as registrar. Specifically, but without limitation, VeriSign Inc and The Internet Corporation for Assigned Names and Numbers ("ICANN"), and any other entity connected to the transfer of the Domain Names, shall immediately cease such efforts and shall terminate any movement of the Domain Names.

IT IS FURTHER ORDERED that the Court hereby takes exclusive jurisdiction over, and grants the Receiver exclusive control over, any and all "Receivership Assets", which term shall include any and all legal or equitable interest in, right to, or claim to, any real or personal property (including "goods," "instruments," "equipment," "fixtures," "general intangibles," "inventory," "checks," or "notes" (as these terms are defined in the Uniform Commercial Code)), lines of credit, chattels, leaseholds, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and all cash, wherever located, and further including any legal or equitable interest in any trusts, corporations, partnerships, or other legal entities of any nature, that are:

1. owned, controlled, or held by, in whole or in part, for the benefit of, or subject to access by, or belonging to, any Receivership Party;
2. in the actual or constructive possession of any Receivership Party; or
3. in the actual or constructive possession of, or owned, controlled, or held by, or subject to access by, or belonging to, any other corporation, partnership, trust, or any

other entity directly or indirectly owned, managed, or controlled by, or under common control with, any Receivership Party, including, but not limited to, any assets held by or for any Receivership Party in any account at any bank or savings and loan institution, or with any credit card processing agent, automated clearing house processor, network transaction processor, bank debit processing agent, customer service agent, commercial mail receiving agency, or mail holding or forwarding company, or any credit union, retirement fund custodian, money market or mutual fund, storage company, trustee, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind, either within or outside of the State of Texas.

IT IS FURTHER ORDERED that the Receiver shall be entitled to any document that any Receivership Party is entitled to possess as of the signing of this order ("Receivership Documents").

IT IS FURTHER ORDERED that all persons who receive actual notice of this Order by personal service or otherwise are hereby restrained and enjoined from:

A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any Receivership Assets.

B. Opening or causing to be opened any safe deposit boxes, commercial mail boxes, or storage facilities titled in the name of any Receivership Party, or subject to access by any Receivership Party or under any Receivership Party's control, without providing the Receiver prior notice and an opportunity to inspect the contents in order to determine that they contain no assets covered by this Section;

C. Cashing any checks or depositing any payments from customers or clients of a Receivership Party;

D. Incurring charges or cash advances on any credit card issued in the name, singly or jointly, of any Receivership Party; or

E. Incurring liens or encumbrances on real property, personal property, or other assets in the name, singly or jointly, of any Receivership Party or of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Receivership Party.

F. The funds, property, and assets affected by this Order shall include both existing assets and assets acquired after the effective date of this Order.

IT IS FURTHER ORDERED that any financial institution, business entity, or person maintaining or having custody or control of any account or other asset of any Receivership Party, or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with any Receivership Party, which is served with a copy of this Order, or otherwise has actual or constructive knowledge of this Order, shall:

A. Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge, hypothecation, encumbrance, disbursement, dissipation, conversion, sale, liquidation, or other disposal of any of the assets, funds, documents, or other property held by, or under its control:

1. on behalf of, or for the benefit of, any Receivership Party;
2. in any account maintained in the name of, or for the benefit of, or subject to withdrawal by, any Receivership Party; and
3. that are subject to access or use by, or under the signatory power of, any Receivership Party.

B. Deny any person other than the Receiver or his designee access to any safe deposit boxes or storage facilities that are either:

1. titled in the name, individually or jointly, of any Receivership Party; or
2. subject to access by any Receivership Party.

C. Provide the Receiver an immediate statement setting forth:

1. The identification number of each account or asset titled in the name, individually or jointly, of any Receivership Party, or held on behalf thereof, or for the benefit thereof, including all trust accounts managed on behalf of any Receivership Party or subject to any Receivership Party's control;

2. The balance of each such account, or a description of the nature and value of such asset;

3. The identification and location of any safe deposit box, commercial mail box, or storage facility that is either titled in the name, individually or jointly, of any Receivership Party, whether in whole or in part; and

4. If the account, safe deposit box, storage facility, or other asset has been closed or removed, the date closed or removed and the balance on said date.

D. Immediately provide the Receiver with copies of all records or other documentation pertaining to each such account or asset, including, but not limited to, originals or copies of account applications, account statements, corporate resolutions, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; and

E. Immediately honor any requests by the Receiver with regard to transfers of assets to the Receiver or as the Receiver may direct.

DUTIES OF DEFENDANTS REGARDING ASSETS AND DOCUMENTS

IT IS FURTHER ORDERED that Defendants shall:

A. Within three business days following service of this Order, take such steps as are necessary to turn over control to the Receiver and repatriate to the Northern District of Texas all Receivership Documents and Receivership Assets that are located outside of the Northern District of Texas and are held by or for the Receivership Parties or are under the Receivership Parties' direct or indirect control, jointly, severally, or individually;

B. Within three business days following service of this Order, provide Plaintiff and the Receiver with a full accounting of all Receivership Documents and Receivership Assets wherever located, whether such Documents or Assets held by or for any Receivership Party or are under any Receivership Party's direct or indirect control, jointly, severally, or individually, including the addresses and names of any foreign or domestic financial institution or other entity holding the Receivership Documents and Receivership Assets, along with the account numbers and balances; and

D. Immediately following service of this Order, provide Plaintiff and the Receiver access to Defendants' records and Documents held by Financial Institutions or other entities, wherever located.

POWERS AND DUTIES OF RECEIVER

IT IS FURTHER ORDERED that the Receiver shall immediately present a sworn statement that he will perform his duties faithfully and shall post a cash deposit or bond in the amount of \$1,000.

IT IS FURTHER ORDERED that in addition to all powers granted in equity to receivers, the Receiver shall immediately have the following express powers and duties:

A. To have immediate access to any business premises of the Receivership Party, and immediate access to any other location where the Receivership Party has conducted business and where property or business records are likely to be located.

B. To assume full control of the Receivership Party by removing, as the Receiver deems necessary or advisable, any director, officer, independent contractor, employee or agent of the Receivership Party, including any Defendant, from control of, management of, or participation in, the affairs of the Receivership Party;

C. To take exclusive custody, control, and possession of all assets and documents of, or in the possession, custody or under the control of, the Receivership Party, wherever

situated, including without limitation all paper documents and all electronic data and devices that contain or store electronic data including but not limited to computers, laptops, data storage devices, back-up tapes, DVDs, CDs, and thumb drives and all other external storage devices and, as to equipment in the possession or under the control of the Receivership Parties, all PDAs, smart phones, cellular telephones, and similar devices issued or paid for by the Receivership Party.

D. To act on behalf of the Receivership Party and, subject to further order of the Court, to have the full power and authority to take all corporate actions, including but not limited to, the filing of a petition for bankruptcy as the authorized responsible person as to the Receivership Party, dissolution of the Receivership Party, and sale of the Receivership Party.

E. To divert mail.

F. To sue for, collect, receive, take in possession, hold, and manage all assets and documents of the Receivership Party and other persons or entities whose interests are now held by or under the direction, possession, custody or control of the Receivership Party.

G. To investigate, conserve, hold, and manage all Receivership Assets, and perform all acts necessary or advisable to preserve the value of those assets in an effort to prevent any irreparable loss, damage or injury to consumers or to creditors of the Receivership Party including, but not limited to, obtaining an accounting of the assets, and preventing transfer, withdrawal or misapplication of assets.

H. To enter into contracts and purchase insurance as advisable or necessary.

I. To prevent the inequitable distribution of assets and determine, adjust, and protect the interests of creditors who have transacted business with the Receivership Party.

J. To manage and administer the business of the Receivership Party until further order of this Court by performing all incidental acts that the Receiver deems to be advisable or necessary, which include retaining, hiring, or dismissing any employees, independent contractors, or agents.

K. To choose, engage, and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists (collectively, "Professionals"), as each Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order.

L. To make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order.

M. To institute, compromise, adjust, defend, appear in, intervene in, or become party to such actions or proceedings in state, federal or foreign courts that each Receiver deems necessary and advisable to preserve or recover the assets of the Receivership Party or that each Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order, including but not limited to, the filing of a petition for bankruptcy.

N. To conduct investigations and to issue subpoenas to obtain documents and records pertaining to, or in aid of, the receivership, and conduct discovery in this action on behalf of the receivership estate.

O. To consent to the dissolution of the receivership in the event that the Plaintiff may compromise the claim that gave rise to the appointment of the Receiver, provided, however, that no such dissolution shall occur without a motion by the Plaintiff and service provided by the Plaintiff upon all known creditors at least thirty days in advance of any such dissolution.

LIMITATION OF RECEIVER'S LIABILITY

IT IS FURTHER ORDERED that except for an act of gross negligence, the Receiver and the Professionals shall not be liable for any loss or damage incurred by any of the Receivership Parties, their officers, agents, servants, employees and attorneys or any other person, by reason of any act performed or omitted to be performed by the Receiver and the Professionals in connection with the discharge of his or her duties and responsibilities. Additionally, in the

event of a discharge of the Receiver either by dissolution of the receivership or order of this Court, the Receiver shall have no further duty whatsoever.

PROFESSIONAL FEES

IT IS FURTHER ORDERED that each Receiver and his professionals, including counsel to the Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, which compensation shall be derived exclusively from the assets now held by, or in the possession or control of, or which may be received by the Receivership Party or which are otherwise recovered by the Receiver, against which the Receiver shall have a first and absolute administrative expense lien. The Receiver shall file with the Court and serve on the parties a fee application with regard to any compensation to be paid to professionals prior to the payment thereof.

COOPERATION WITH RECEIVER

IT IS FURTHER ORDERED that the Defendants and all other persons or entities served with a copy of this Order shall fully cooperate with and assist the Receiver. This cooperation and assistance shall include, but not be limited to, providing any information to the Receiver that the Receiver deems necessary to exercising the authority and discharging the responsibilities of the Receiver under this Order; providing any password required to access any computer, electronic account, or digital file or telephonic data in any medium; turning over all accounts, files, and records including those in possession or control of attorneys or accountants; and advising all persons who owe money to the Receivership Party that all debts should be paid directly to the Receiver. Defendants are hereby temporarily restrained and enjoined from directly or indirectly:

- A. Transacting any of the business of the Receivership Party;

B. Destroying, secreting, defacing, transferring, or otherwise altering or disposing of any documents of the Receivership Party including, but not limited to, books, records, accounts, writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations, electronically-stored records, or any other papers of any kind or nature;

C. Transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any assets owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by, the Receivership Party or the Receiver;

D. Drawing on any existing line of credit available to Receivership Party;

E. Excusing debts owed to the Receivership Party;

F. Failing to notify the Receiver of any asset, including accounts, of the Receivership Party held in any name other than the name of any of the Receivership Party, or by any person or entity other than the Receivership Party, or failing to provide any assistance or information requested by the Receiver in connection with obtaining possession, custody or control of such assets;

G. Doing any act that would, or failing to do any act which failure would, interfere with the Receiver's taking custody, control, possession, or management of the assets or documents subject to this receivership; or to harass or interfere with the Receiver in any way; or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Party; or to refuse to cooperate with the Receiver or the Receiver's duly authorized agents in the exercise of their duties or authority under any Order of this Court; and

H. Filing, or causing to be filed, any petition on behalf of the Receivership Party for relief under the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330 (2002), without prior permission from this Court.

IT IS FURTHER ORDERED that:

A. Immediately upon service of this Order upon them, or within such period as may be permitted by the Receiver, Defendants or any other person or entity shall transfer or deliver possession, custody, and control of the following to the Receiver:

1. All assets of the Receivership Party, including, without limitation, bank accounts, web sites, buildings or office space owned, leased, rented, or otherwise occupied by the Receivership Party;

2. All documents of the Receivership Party, including, but not limited to, books and records of accounts, legal files (whether held by Defendants or their counsel) all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, title documents, and other papers;

3. All of the Receivership Party's accounting records, tax records, and tax returns controlled by, or in the possession of, any bookkeeper, accountant, enrolled agent, licensed tax preparer or certified public accountant;

4. All loan applications made by or on behalf of Receivership Party and supporting documents held by any type of lender including, but not limited to, banks, savings and loans, thrifts or credit unions;

5. All assets belonging to members of the public now held by the Receivership Party; and

6. All keys and codes necessary to gain or secure access to any assets or documents of the Receivership Party including, but not limited to, access to their business premises, means of communication, accounts, computer systems or other property;

B. In the event any person or entity fails to deliver or transfer any asset or otherwise fails to comply with any provision of this Paragraph, the Receiver may file ex parte an Affidavit of Non-Compliance regarding the failure. Upon filing of the affidavit, the Court may authorize, without additional process or demand, Writs of Possession or Sequestration or other equitable

writs requested by the Receivers. The writs shall authorize and direct the United States Marshal or any sheriff or deputy sheriff of any county, or any other federal or state law enforcement officer, to seize the asset, document or other thing and to deliver it to the Receivers.

IT IS FURTHER ORDERED that, upon service of a copy of this Order, all banks, broker-dealers, savings and loans, escrow agents, title companies, leasing companies, landlords, ISOs, credit and debit card processing companies, insurance agents, insurance companies, commodity trading companies or any other person, including relatives, business associates or friends of the Defendants, or their subsidiaries or affiliates, holding assets of the Receivership Party or in trust for Receivership Party shall cooperate with all reasonable requests of each Receiver relating to implementation of this Order, including freezing and transferring funds at his or her direction and producing records related to the assets of the Receivership Party.

STAY OF ACTIONS

IT IS FURTHER ORDERED that:

A. Except by leave of this Court, during the pendency of the receivership ordered herein, all other persons and entities aside from the Receiver are hereby stayed from taking any action to establish or enforce any claim, right, or interest for, against, on behalf of, in, or in the name of, the Receivership Party, any of their partnerships, assets, documents, or the Receiver or the Receiver's duly authorized agents acting in their capacities as such, including, but not limited to, the following actions:

1. Commencing, prosecuting, continuing, entering, or enforcing any suit or proceeding, except that such actions may be filed to toll any applicable statute of limitations;
2. Accelerating the due date of any obligation or claimed obligation; filing or enforcing any lien; taking or attempting to take possession, custody or control of any asset;

attempting to foreclose, forfeit, alter or terminate any interest in any asset, whether such acts are part of a judicial proceeding or are acts of self-help or otherwise;

3. Executing, issuing, serving or causing the execution, issuance or service of, any legal process including, but not limited to, attachments, garnishments, subpoenas, writs of replevin, writs of execution, or any other form of process whether specified in this Order or not; and

4. Doing any act or thing whatsoever to interfere with the Receiver taking custody, control, possession, or management of the assets or documents subject to this receivership, or to harass or interfere with the Receiver in any way, or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Party;

B. This Order does not stay:

1. The commencement or continuation of a criminal action or proceeding;
and

2. Except as otherwise provided in this Order, all persons and entities in need of documentation from the Receiver shall in all instances first attempt to secure such information by submitting a formal written request to the Receiver, and, if such request has not been responded to within 30 days of receipt by the Receiver, any such person or entity may thereafter seek an Order of this Court with regard to the relief requested.

JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

SO ORDERED, this 24th day of November, 2010



JUDGE PRESIDING

EXHIBIT C

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I. INTRODUCTION

David J. Sherman is the bankruptcy trustee (“Trustee” or “Bankruptcy Trustee”) appointed in September 2009 to operate Ondova Limited Company (“Ondova” or “Debtor”), a business formerly managed by Baron. Mr. Sherman faced a monumental task when he was appointed. That task was to end seven lawsuits pending in jurisdictions around the United States and settle very large claims filed in the Ondova bankruptcy case itself.

Mr. Sherman was successful.

The settlement, approved by the Bankruptcy Court in late July, 2010, settled: (a) litigation pending in this Court; (b) two lawsuits pending in Virgin Islands District Court; (c) one suit pending in Federal District Court for the Central District of California (Los Angeles) (d) one suit pending in the Superior Court of the State of California (Los Angeles); and (e) two lawsuits pending in the 68th Judicial District Court of Dallas County, Texas. The settlement also resolved sizable claims asserted by various parties in the Bankruptcy case itself.

The lawsuits Mr. Sherman settled had been ongoing since 2006. The lawsuits were so complex that they are hard to summarize in this pleading. They involved five principal parties — Baron, Munish Krishan (“Krishan”) of Newport Beach, California, certain Virgin Islands entities established in 2005 as part of a structure created by Baron and Mr. Krishan to take advantage of favorable tax benefits offered by the Virgin Islands Economic Development Authority and certain entities from the Cook Islands created by Baron and Krishan to protect their assets and reduce U.S. taxes. The fifth party was Mr. Sherman himself, representing the creditors of Ondova, the entity he was trustee over. The Ondova creditors were in two categories: (1) attorneys Mr. Baron hired and fired and never paid, and (2) companies who sued Mr. Baron because he infringed on trademarks.

The Trustee learned early in his fiduciary capacity that Baron had retained over twenty different attorneys to handle litigation matters prior to Ondova's bankruptcy. Most of these attorneys only stayed on for mere weeks or months. Lawyers representing other parties approached the Trustee after his appointment to advise him that Baron's hiring and firing of lawyers was a litigation tactic used to delay and disrupt the various lawsuits. These other lawyers who approached the Trustee noted that this type of activity, never before seen by these very experienced lawyers, was driving the costs of the litigation up and causing unbreakable litigation gridlock. The hiring and firing of lawyers could be documented through the docket sheets and pleadings of these various other cases.

Notwithstanding these types of challenges and the complexity of the litigation, Mr. Sherman and undersigned counsel, embarked on months and months of non-stop settlement discussions with all of the parties, and with the guidance of this Court, and the Bankruptcy Court, a settlement was finally reached in late June, 2010. The global settlement was approved by the Bankruptcy Court on July 28, 2010. Mr. Sherman successfully implemented the complex settlement in August and September 2010. Almost immediately after the settlement was approved and as Mr. Sherman was consummating its various provisions, Baron was unhappy with the lawyer who had assisted him for almost a year in settlement negotiations, Gerrit Pronske. Mr. Pronske, unpaid, promptly sought to withdraw as counsel. Mr. Pronske's departure disrupted a number of post-settlement issues and further resulted in a huge pile-up of Baron attorneys coming and going. Following Mr. Pronske's departure, eight (8) new lawyers appeared for Baron (Ferguson, Thomas, Broome, Garrey, Eckels, Cox, Chesnin and Schepps). Although some of these lawyers have different roles, they all operate at the instruction of Mr. Baron. Four of these new lawyers have quit since September, 2010 due to non-payment.

The hiring and firing of lawyers has caused disruption and delay in the Trustee's efforts to wind down the bankruptcy case. The appointment of a receiver over Mr. Baron was first addressed

by this Court in July 2009. The creation of a receivership was frequently publicly considered an option by both this Court and the Bankruptcy Court. Both the District Court and the Bankruptcy Court witnessed first hand the delay and disruption caused by Baron's tactics. Both courts issued orders regarding Baron's conduct however Baron failed to get the message. The hiring and firing of lawyers continues to this day.

II. HISTORICAL BACKGROUND OF LITIGATION

The Receivership being challenged was created by a Court which had been dealing with Jeffrey Baron for a significant period of time. The District Court Litigation was initially filed in May, 2009. The District Court Litigation stems from a fairly common occurrence – a soured joint venture between two business partners. But when this joint venture went bad, so much money was at stake that the litigation that ensued was staggering. Lawsuits in Texas, California and the Virgin Islands were filed and litigated aggressively and with little regard for cost. Six separate lawsuits were ongoing simultaneously around the United States costing parties a fortune and wasting judicial resources. Not until the District Court and Bankruptcy Court stepped in, did a resolution of the mind-blowing and gridlocked litigation appear possible. As a result of the Trustee's efforts, in the summer of 2010, the litigation was settled in the Bankruptcy Case. Since then, the Trustee has been diligently working towards wrapping up the Ondova bankruptcy estate but the hiring and firing of lawyers by Mr. Baron continues. The hiring and firing has caused delays and disruption.

Ondova was a domain name registrar started by Jeffrey Baron in May, 2000. Ondova acted as a registrar for parties seeking to register domain names on the internet. Its principal, Baron, had accumulated a large number of internet domain names during the early days of the internet.

In 2005, Mr. Baron and Krishan decided to join their businesses to form a joint venture. Krishan also operated an internet domain name registration and monetization business. Through his

companies, Manila Industries, Inc. (“Manila”) and Netsphere, Inc., (“Netsphere”) Mr. Krishan had developed a successful business in domain monetization as well as operating websites.

In 2005, Baron and Krishan began the process of establishing a joint venture in which they would utilize their respective assets and business skills to build a profitable domain name business. Baron and Krishan envisioned an operating business owning one million internet domain names. These domain names earn revenues from advertising pages similar to the advertising revenue earned by Google, Inc. Many of the domain names were created using complex mathematical and algorithm formulas in order to generate the highest possible revenue. Included in the joint venture were certain domain names created by Baron during the early days of the internet, called the “Blue Horizons” names. These names have both high revenue potential and can be sold individually — sometimes for in excess of \$1 million a piece.

In the course of planning for their partnership, Baron and Krishan sought advice for creation of a tax efficient structure for their business and personal assets to minimize tax risk and liability. In 2005, Baron and Krishan agreed to establish their joint venture in the United States Virgin Islands through an economic development program structure then offered by the Virgin Islands. They created the necessary corporate entities to take advantage of the low tax rates offered by United States Virgin Islands Economic Development Program Structure (“USVI Structure”) and the newly formed joint operation was to begin business on January 1, 2006.

The structure that was developed by Baron and Krishan also involved the creation of Virgin Island entities and certain trusts domiciled in the Cook Islands. This structure was complex and involved the creation of approximately fifteen entities. A chart showing the structure created by Baron and Krishan is attached as Exhibit 1. The entities that controlled and operated the domain names included The Village Trust, HCB LLC, Realty Investment Management, LLC, and

Blue Horizon Limited Liability Company. There were a number of other entities above those three businesses which held and controlled the internet domain names.

Almost immediately after its inception, disputes developed between Baron and Krishan regarding operation of the new business. There were accusations that revenue generated by the domain names was not being equally divided. Based on information obtained by the Bankruptcy Trustee, the internet domain names earned a large amount of income. Although the Trustee does not have all of the information regarding revenue earned, one chart produced during the pendency of the case reflected \$29 million in revenue from January, 2006 through October, 2009.

The litigation which began in November, 2006 occurred as a result of a transfer, or repossession, of the internet domain names by Baron. Specifically, on November 13, 2006, without Krishan's permission, Baron changed the IP addresses and the name servers for the internet domain names to a new entity under the control of Baron. As a result, Mr. Krishan and his entities no longer had any control of the web pages or the revenue generated therefrom. On November 15, 2006, Mr. Krishan and his related entities filed a complaint in the United States District Court for the Central District of California entitled Manila Industries, Inc. v. Ondova Limited Company, Case No. SAC-06-1105-AG.

On November 14, 2006, Ondova commenced an action in the 68th Judicial District Court of Dallas County, Texas entitled Ondova Limited Company v. Manila Industries, Inc., Case No. 06-11717. The two cases were later consolidated in the 68th Judicial District Court before Judge Martin Hoffman.

The litigation pending before 68th District Court Judge Martin Hoffman went on for several years. The docket sheet for the case pending before Judge Hoffman is attached hereto as Exhibit 2. In addition to case pending in Dallas before Judge Hoffman, several other lawsuits were filed

related to: (a) the domain names including interpleader suits where monetization companies (such as [Oversee.net](#)) filed interpleader actions; (b) the Virgin Islands entities; (c) a joint venture called [Phonecards.com](#); and (d) many other matters. The other lawsuits include:

- a. On September 27, 2007, Simple Solutions filed a civil cause against Ondova in the District Court of the Virgin Islands, Division of St. Thomas & St. John, styled Simple Solutions, LLC vs. Ondova Limited Co, LLC d/b/a Compana, LLC, No. 3:07-CV-123.
- b. On February 12, 2007, HCB and Simple Solutions filed a civil cause against [Oversee.net](#) in the District Court of the Virgin Islands, Division of St. Thomas-St. John, styled HCB, LC and Simple Solutions, LLC, v. [Oversee.net](#), Case No. 3:07-CV-00029-CVG.
- c. On November 6, 2009 [Oversee.net](#) filed a claim for breach of contract and fraud against Simple Solutions, LLC, a USVI limited liability company, HCB, LLC, a Delaware Limited Liability Company and Does 1 to 10 in the United States District of California, Case No. CV09-08154-OOW (RZx).
- d. On November 12, 2009, Manila and Netsphere filed a civil cause against [Oversee.net](#) and Doe 1 through Doe 10 in the Superior Court of the State of California, styled Manila Industries, Inc. a California corporation; Netsphere, Inc., a Michigan corporation vs. [Oversee.net](#), a California corporation; and DOE 1 through DOE 10, inclusive, Case No. BC425821.
- e. On November 2, 2008, Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron as Beneficiary of Equity Trust Company FBO IRA 19471 filed a civil case in the 68th Judicial District, Dallas County, Texas, against Rohit Krishan, Individually and d/b/a [Callingcards.com](#), Munish Krishan and Manoj Krishan, styled Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron As Beneficiary of Equity Trust Company FBO IRA 19471 vs. Rohit Krishan, Individually and d/b/a [Callingcards.com](#), Munish Krishan and Manoj Krishan, Cause No. DC08-13925-C.

These five lawsuits, as well as the cases before this Court and Judge Martin Hoffman, resulted in colossal litigation gridlock seemingly impossible to resolve. During this litigation, Mr. Baron routinely hired and fired lawyers. There were a number of mediation attempts both formal and informal. The formal mediations were with mediators Ted Akin, Sid Stahl, Cynthia Sauls and Hesha Abrams.

At a mediation which took place in Dallas, Texas, before Heshia Abrams resulted in a settlement reached on April 26, 2009. This settlement was called the Memorandum of Understanding (“MOU”). Pursuant to the MOU, the internet domain names were to be divided between the Baron parties and the Krishan parties which division was to be determined through a specific procedure set forth in detail in the MOU. The division of domain names was to occur no later than May 10, 2009, 14 days after execution of the MOU. Although Mr. Krishan and his entities timely performed under the MOU, Baron and Ondova refused to cooperate. There were certain other requirements of the MOU, however, Baron and Ondova failed to adhere to those requirements. A copy of the MOU is attached as Exhibit 3.

As a result of their breach of the MOU, Mr. Krishan, Netsphere Inc. and Manila Industries, Inc. commenced this action (“District Court Litigation”) on May 28, 2009, docketed as Court Case, Case No. 3-09-CV-0988-M.

III. EVENTS LEADING TO THE ONDOVA BANKRUPTCY CASE AND APPOINTMENT OF TRUSTEE

Ondova filed its Chapter 11 bankruptcy case in Dallas, Texas, on July 27, 2009. It appears to have been filed by Baron to evade a significant contempt sanction about to be imposed by the District Court related to Baron's breach of an Amendment to Preliminary Injunction.

The District Court Litigation began in May, 2009, and was brought by Munish Krishan and his related entities, Netsphere and Manila, as a result of Baron's failure to comply with an April 2009 settlement agreement commonly referred to as the MOU. The MOU ended six lawsuits and years of contentious litigation regarding the ownership of internet domain names.

Although initially Baron performed a few obligations under the MOU, he promptly breached and the District Court Litigation was therefore filed on May 28, 2009. The District Court entered a number of orders earlier in the case including a Preliminary Injunction on June 26, 2009, and an

Amendment to the Preliminary Injunction on July 8, 2009. In the Amendment to the Preliminary Injunction, the District Court indicated that if Baron and his related entities failed to comply with any provision of the Amendment to the Preliminary Injunction, there would be a fine of \$50,000 per day per violation. A copy of the Amended Preliminary Injunction is attached as Exhibit 4.

Baron continued to disobey provisions of the Preliminary Injunction and the Amended Preliminary Injunction and as a result of his bad faith related to discovery matters, violations of a Temporary Restraining Order and certain other orders of the Court, Netsphere and Manila filed a Motion for Contempt. The Motion for Contempt was filed on July 21, 2009, and was scheduled to be heard on July 28, 2009, at 9:30 a.m. The day before that hearing, on July 27, 2009, Ondova filed its voluntary petition under chapter 11 commencing the Ondova Bankruptcy Case. A copy of this Motion for Contempt is attached as Exhibit 5.

The Bankruptcy Case began a new chapter in the long saga of the disputes between Baron, Munish Krishan, the Virgin Islands entities and Cook Islands entities. A blizzard of pleadings was filed at the beginning of the Bankruptcy Case including an Objection to the Use of Cash Collateral, a Motion to Dismiss the Case and a Motion for Termination of the Stay in Order to allow the District Court litigation to proceed. There were several emergency hearings in the Bankruptcy Court including hearings where Baron was required to testify. A copy of the Motion for Relief from the Automatic Stay to Restore and Transfer Domain Names Pursuant to Preliminary Injunction order filed by manila and Netsphere on August 3, 2009 and which describes the violations of Court orders by Baron is attached hereto as Exhibit 6.

The Trustee (not yet appointed) has learned that after the Bankruptcy Case was filed, Mr. Baron apparently continued his tactics to avoid responsibilities under the Preliminary Injunction and Amended Preliminary Injunction. The Bankruptcy Court granted Krishan, Netsphere and Manila, partial relief from the automatic stay to effectuate certain provisions of the preliminary

injunctions. With respect to one motion regarding whether the debtor could use cash collateral, an examination of Mr. Baron as a witness commenced on August 26, 2009. That hearing did not conclude and therefore the Bankruptcy Court continued the hearing to September 1, 2009, so that Mr. Krishan and his entities Netsphere and Manila, could conduct a cross-examination of Mr. Baron. However, one hour prior to the continued hearing, an emergency motion was filed to continue the hearing because new counsel was being employed by Mr. Baron.

In light of these developments, the Bankruptcy Court provided Mr. Baron with two options: (1) he could go forward with the hearings; or (2) the Court would exercise its powers under Section 105 of the Bankruptcy Code and appoint a Chapter 11 Trustee. Mr. Baron subsequently took the stand and provided testimony on direct and cross-examination. At the conclusion of that hearing, the Bankruptcy Court continued the hearing until September 11, 2009, at which point it advised Mr. Baron that it was entering a show cause order regarding why a Chapter 11 trustee should not be appointed. A true and correct copy of the Bankruptcy Court's Order of August 26, 2009, is attached hereto as Exhibit 7.

On September 11, 2009, the Bankruptcy Court conducted a hearing and at that hearing it appointed a chapter 11 trustee to oversee the Ondova Bankruptcy Case. The Order (1) Denying the Motion to Dismiss Bankruptcy Case Filed by Netsphere, Inc., and Manila Industries, Inc.; (2) The Appointment of a Chapter 11 Trustee; (3) Continuing Certain Hearings; (4) Setting Hearing on Emergency Motion to Withdraw as Counsel for the Debtor; and (4) Setting a Status Conference" is attached hereto as Exhibit 8.

In their Order, the Court noted a number of important matters. First, Jeffrey Baron invoked his Fifth Amendment right against self-incrimination and therefore failed to answer questions on cross-examination. The Court also stated that cause existed under 11 U.S.C. § 1104 to appoint a Chapter 11 trustee for cause including the Debtor's mismanagement and a lack of candor of

the Debtor's representative. The Court found that a Chapter 11 trustee would be in the best interest of the bankruptcy estate.

Daniel J. Sherman was later appointed Chapter 11 Trustee pursuant to an order of the Bankruptcy Court entered on September 15, 2009. Following the appointment of Mr. Sherman as Chapter 11 trustee, Mr. Sherman began administering the Ondova Bankruptcy Estate. On October 14, 2009, Mr. Sherman employed counsel to represent him, the law firm of Munsch Hardt Kopf & Harr, P.C. The employment of Munsch Hardt was approved by order entered on November 17, 2009.

IV. THE SETTLEMENT OF THE LITIGATION

After Munsch Hardt's employment, Munsch Hardt, Mr. Sherman and the special master appointed in the District Court Litigation, Peter Vogel (now Receiver), began a series of settlement negotiations in order to start the process of settling the long running litigation pending between Baron, Mr. Krishan, his entities and the other litigating parties. Unfortunately, those efforts were unsuccessful. In fact, following the conclusions of those initial settlement meetings, it appeared that the parties continued to be in unbreakable gridlock. The parties did agree however, that certain trademark litigation disputes pending against Ondova and Mr. Baron needed to be resolved. The Trustee then immediately began efforts to settle the third-party trademark lawsuits. Settlements were worked out with the University of Texas and Liberty Media Corporation and the resolution of these trademark lawsuits enabled the parties to remove what were viewed as major obstacles to the settlement talks. During the first few months after his employment, the Trustee addressed other matters including routine operational issues concerning Ondova, matters regarding executory contracts and collection of certain assets.

The Trustee began a second phase of settlement discussions on February 23, 2010. Those settlement talks, urged by the Bankruptcy Court and the District Court, went on virtually daily for

several months and finally settlement was reached in mid-June, 2010. The progress of these settlement talks were monitored both by the Bankruptcy Court and the District Court. In fact, observing a lack of progress, the District Court in May, 2010, ordered the parties (with principals in attendance) to attend a mandatory mediation with U.S. District Magistrate Judge Paul D. Stickney. Judge Stickney served as a mediator for several days in May and early June 2010. The litigation was not resolved under Judge Stickney's watch however some progress was made. Unfortunately, Judge Stickney could not continue to serve as a mediator and the parties continued settlement negotiations throughout June. Finally, in late June, 2010, after months of non-stop settlement meetings including numerous weekend meetings, a resolution was reached on approximately June 22, 2010. The Trustee's Motion to Compromise Controversy was filed on July 2, 2010 ("Settlement Motion"). A copy of the Settlement Motion is attached as Exhibit 9.

Approval of the Settlement Motion required three hearings during July, 2010. Those hearings took place on July 12, July 14th and July 22nd, 2010. Even though the Settlement Motion was pending and the settlement hearings were taking place, there still were numerous rancorous issues that needed to be ironed out. The Settlement Motion was finally approved by Order entered on July 28, 2010, a copy of which is attached as Exhibit 10.

The Settlement Motion sought approval for a settlement agreement referred to as the Mutual Settlement and Release Agreement ("Settlement Agreement"). The Settlement Agreement required the signatures of 51 parties and resolved nine (9) pending lawsuits. It provided for payments to be made by certain parties to the Ondova Bankruptcy Estate and also resulted in the waiving of numerous large claims against the Ondova bankruptcy estate. Most importantly, all claims and causes of action between the fifty-one settling parties were finally settled and waived.

The Settlement Agreement resolved a lawsuit not even connected in any way to the Ondova bankruptcy case. The Settlement Agreement settled the case commonly referred to as Phonecards.com case commenced on November 2, 2008 in the 68th Judicial Court of Dallas County, Case no. DC-08-3925-C.

A true and correct copy of the fully executed Settlement Agreement is attached hereto as Exhibit 11.

The Settlement Agreement resolved nine separate litigation matters. It ended the years of contentious litigation between Baron and his entities, Munish Krishan and his entities, Virgin Islands entities, the Cook Islands entities, and later the Trustee, representing the interest of Ondova.

Commencing with his initial appointment, the Trustee was urged by all parties that there needed to be an end to the expensive long-running litigation. Both the Bankruptcy Court and the District Court, both of which had become intimately familiar with the combative litigation between the parties, made it known their strong preference that the litigation finally end.

The Trustee believed that settlement of the litigation was the only reasonable approach for the bankruptcy estate. The Trustee analyzed all of the risks and rewards of the litigation and determined that settlement was the best option for the bankruptcy estate. Had the Trustee continued litigation on behalf of Ondova, there would likely be continued protracted litigation between the parties and it may not have resolved litigation between the Netsphere parties and Baron regarding the enforceability of the MOU. Litigation to enforce the MOU would be expensive, contentious and would cause extended delays. The expense involved to continue with litigation would have been enormous. The Trustee estimates that to enforce the MOU, the time involved could easily have been 2-3 years. Those long delays would prolong the Ondova bankruptcy case. Under the settlement that was approved by the Bankruptcy Court, the

creditors will receive an earlier return on their claims and will not be burdened by the additional delay and risk of litigation.

During September, 2010, the Trustee continued efforts to consummate the various portions of the Settlement Agreement and efforts to wind down the Ondova bankruptcy estate. During this time period however, Mr. Baron had employed certain new lawyers and his prior lawyers began asserting claims in the bankruptcy case and in state court against Mr. Baron. One law firm filed a motion for substantial contribution and thereafter two other law firms filed similar motions. This type of motion is a concern to the Trustee because these lawyers could seek and be awarded attorneys fees from the Ondova bankruptcy estate for their work for Mr. Baron. If this occurs, the Trustee will end up having a contribution or indemnity claim against Mr. Baron – which opens the door to additional litigation. To resolve this dilemma, the Bankruptcy Court issued an Order on October 12, 2010 directing Peter Vogel, then the Special Master, to be a mediator of the attorney fee disputes. A copy of Judge Jernigan's Order is attached as Exhibit 12. A copy of Judge Ferguson's Order accepting Judge Jernigan's Order is attached hereto as Exhibit 13.

Shortly thereafter, mediator Peter Vogel wrote to the various unpaid lawyers recommending that they submit to him information regarding their attorney fee claims by November 22, 2010. A number of attorneys contacted Mr. Vogel and indicated that they do not believe that the mediation will be successful because Mr. Baron does not settle any matters and refuses to pay lawyers. Those lawyers indicated that they do not wish to participate. Adding to the confusion was the fact that Baron had changed lawyers so many times that no one was representing him with respect to the legal fee mediation issues and therefore no progress was being made and Baron was not cooperating with Judge Ferguson or Judge Jernigan's Orders.

As a result of these developments, it became apparent that Mr. Baron had once again succeeded in causing delay and disruption in the administration of the case. As a result of Baron's hiring and firing of lawyers and his conduct inconsistent with Court Orders, he was causing delay and disruption to the Ondova bankruptcy estate. The mediation efforts were stalemated because Baron refused to cooperate in the process.

These events led to the Trustee's filing his Emergency Motion

V. BARON AND HIS LAWYERS

Mr. Baron's pattern of hiring and firing lawyers goes back to the beginning of his legal disputes against Mr. Krishan in 2006. Mr. Baron's pattern of hiring and firing lawyers has caused delay, disruption and additional expense of the lawsuits that Mr. Baron has been involved in.

Many of the lawyers that are no longer representing Baron have since sued him because they have not been paid outstanding legal fees. Many of the lawyers have confidentially advised the Trustee they quit because Mr. Baron would not listen to the sound legal advice that they were providing. There is clearly a pattern or a course of conduct engaged in by Mr. Baron to hire and fire lawyers in order to engage in vexatious litigation. The number of lawyers hired and fired by Mr. Baron is jaw dropping. Attached are Exhibits 14 through 17 which demonstrate the following:

- (a) Attorneys of Ondova that Mr. Baron refused to pay that filed claim in the Ondova bankruptcy case [Exhibit 14]
- (b) Attorneys employed by Baron after the Ondova bankruptcy case that Baron has refused to pay [Exhibit 15];
- (c) Attorneys who have sued Mr. Baron post-bankruptcy filing of Ondova [Exhibit 16];
- (d) Attorneys of Mr. Baron who have filed Motions in the Bankruptcy Court pursuant to 11 U.S.C. § 503(b) [Exhibit 17]

Copies of the lawsuits filed against Mr. Baron are attached hereto as Exhibit 18 through 22. Copies of motions seeking payment of legal fees owed by Mr. Baron are attached hereto as Exhibits 23 to 25. Although the list of Baron lawyers is constantly changing and frequently needs to be updated, at this time, the Trustee notes that the following attorneys have represented Mr. Baron and his related entities.

For Baron and Ondova (for Ondova during prebankruptcy period only):

Dan Altman
Gary Tucker
Christy Motley with Nace & Motley
Jeanne Crandall with Reyna, Hinds & Crandall
Randy Schaffer with Mateer & Schaffer
David Coales, Carrington Coleman
John Bickel, Bickel & Brewer
Blake Beckham, Jose Portela of The Beckham Group
Graham Taylor, Seyfarth Shaw
Jerry Mason of Martin, Mason & Stutz
Jeff Rasansky
Charla Aldous
Brian Lidji of Lidji, Dorey Hooper
Lenny Vitullo, Fee Smith Sharp and Vitullo, LLP
James Bell, Bell and Weinstein
Caleb Rawls
Lawrence Friedman, Ryan K. Lurich and James Krause of Friedman & Feiger, LLP
Jay Klein
Paul Keiffer of Wright Ginsberg & Brusilow
Steven Jones, Jones, Otjen & Davis
Kevin Thomason, Thompson Knight
Mark Taylor, Powers Taylor, LLP
Jeffrey T. Hall
David L. Pachione
Gerrit M. Pronske, Pronske & Patel
Michael B. Nelson
Stanley Broome, Broome Law Firm, PLLC
Gary Lyon
Dean Ferguson
Martin Thomas
Robert J. Garrey
Sidney Chesnin
Gary N. Schepps

Mr. Baron through his Trusts and related entities:

Elizabeth Schurig of Schurig, Jetel, Bekett, Tackett
Craig Capua and Royce West of West & Associates

Eric Taube of Hohmann, Taube & Summers
John Cone, Hitchcock Everett, LLP
James M. Eckels
Joshua Cox

During the most recent phase of the Bankruptcy case, following the approval of the Settlement Agreement, Judge Jernigan was growing increasingly frustrated by Baron's hiring and firing of lawyers. Attached as an exhibit to the Trustee's Motion is the Report and Recommendation to District Court (Judge Royal Ferguson): That Peter Vogle, Special Master, Be Authorized and Directed to Mediate Attorney Fee Issues (see Exhibit 12). In this report and recommendation, Judge Jernigan had admonished Baron and indicated that Baron's hiring and firing lawyers "has grown to a level that is more than a little disturbing".

As the Court noted in court on September 15, 2010, at the very least, it smacks of the possibility of violating Rule 11 (i.e., it suggests a pattern of perhaps being motivated by an improper purpose, such as to harass, cause delay or needlessly increase the cost of litigation for the parties). Still, more troubling is the possibility to the Court that Jeffrey Baron may be engaging in the crime of theft of services. See Texas Penal Code Sections 31.01(6) and 31.01(4). (A person commits theft of services if, with intent to avoid payment for services that he knows is provided only for compensation: (1) "he intentionally or knowingly secures performance of the service by deception, threat or false token"; (2) "services" includes professional services"). "This crime can be a misdemeanor or a felony - depending on the amount involved."

VI. THE COURTS HAVE REPEATEDLY WARNED BARON THAT HIS CONDUCT IS VEXATIOUS AND SANCTIONABLE

THE DISTRICT COURT CASE

On May 28, 2009, this lawsuit was filed against Baron and Ondova. Anthony L. Vitullo was the first lawyer to appear for Mr. Baron. He filed a Motion to Dismiss on June 18, 2009.¹ The next day, Caleb Rawls of Godwin Pappas & Ronquillo and James Bell of Bell & Weinstein entered an appearance on behalf of Baron at the first status conference. Already familiar with some of the procedural history the Court gave counsel this warning at the June 19 status conference:

"So I'll tell you what. I am going to stay in this case through the preliminary injunction, and there is an order entered. Nobody can violate it. Anybody violates it, you are all paying big dollars. Not only corporately but personally also. You want to challenge the court order, I have the marshals behind me. I can come to your house, pick you up, put you in jail. I can seize your property, do anything I need to do to enforce my orders. I'm telling you don't screw with me. You are a fool, a fool, a fool, a fool to screw with a federal judge, and if you don't understand that, I can make you understand it. I have the force of the Navy, Army, Marines and Navy behind me. There is a lot of playing games. Both sides are probably completely complicit. But it's time to resolve this. If you don't want to resolve it, I can put you in jail. I can hold you six months, twelve months, eighteen months, and I can do that, and if you want me to do it, I will be glad to do it, but you need to be serious about this. There is a problem here that I do not understand. It's really beyond my comprehension, and I actually am not a completely dumb person. So you need to get this resolved. (Distr. Dkt. 26, p. 49, lines 15-25; p. 50, lines 1-11: Exhibit 26).

"...once the Court steps in, that's it, and I've got this case, and I'm keeping it. So you want to screw with me, have at it. But I can put you in jail, and I will do it, and I can also take all of your money away from you. I can look at all of your financial statements. I can take every penny you've got if I think you are doing stuff that's unlawful, illegal, fraudulent and whatever. So let's don't test me here. And at the same time if you think you are right, litigate it. Litigate it to the cows come in, but don't screw with the courts." (Distr. Dkt. 26, p. 52, lines 1-11: Exhibit 26)

¹ The Court has recognized on numerous occasions that Mr. Baron had hired and fired no less than five previous attorneys in the underlying litigation leading up to this present matter. See e.g. (Distr. Dkt. 38-2, p. 54, lines 16-18).

Three days later Mr. Baron fired all of these lawyers and hired Lawrence Friedman, James Krause, Ernest Leonard, and Ryan Lurich (Friedman & Feiger, L.L.P.), who filed their notice of appearance on June 23, 2009. (Distr. Dkt. 15 and 18: Exhibits 27 and 28).

On June 26, 2009, this Court entered a Preliminary Injunction. By July 1, 2009, when the Court convened another Status Conference, there were already allegations that Preliminary Injunction had been violated. The Court addressed the already rapid turnover of counsel. The Court said: "First of all, I need to make sure that you [Mr. Krause] stay in the case. I don't want a ninth set of lawyers in the case." (Distr. Dkt. 38-2, p.54, lines 16-18: Exhibit 29). The Court then ordered Baron place \$50,000, nonrefundable funds, in trust for the payment of attorneys' fees, with such funds to be replenished in \$50,000 increments upon depletion. (Distr. Dkt. 38-2, p.54, lines 19-25; p.55, lines 1-22: Exhibit 29). Having provided for secure payment to the new lawyers the Court then warned them not to withdraw: "[b]y the way, you [Friedman and Feiger] are not getting out of this case. So I don't want to see any motion to withdraw." (Distr. Dkt. 38-2, p.55, lines 16-22: Exhibit 29). Even with these orders, the Court expressed some doubt about their effectiveness against Baron. "I'm very concerned that no matter what I do, Baron is not going to pay attention." (Distr. Dkt. 38-2 p. 52, lines 18-20: Exhibit 29).

A third Status Conference was held on July 9, 2009. At that conference Mr. Baron's counsel informed the Court that Mr. Baron had hired yet another lawyer, Jay Kline, Jr., to act as "general counsel." (Distr. Dkt. 39-2, p. 14, lines 5-9: Exhibit 30). The Court telephoned Mr. Kline during the hearing to advise him to avoid interfering in the litigation:

Mr. Kline, this is Judge Furgeson from federal court. I'm calling you to tell you you maybe under some confusion representing Ondova and Mr. Baron, but anything that involves litigation in my Court should be coordinated through Mr. Lurich and Mr. Krause. An e-mail was sent out this last night to we think monetization firms that was not agreed to by the parties, and so I've got to put you in touch with Mr. Lurich and Mr. Krause as soon as possible. If you have any questions about how this is to be arranged or done, we can have a hearing in my court this afternoon or in the

next several days so that I can give you clear instructions about what you are supposed to do. But you are not to do anything in regard to the pending litigation. (Distr. Dkt. 39-2, p.18, lines 1-14: Exhibit 30).

The Court's reason was clear: "I don't need a lot of chefs in the kitchen." (Distr. Dkt. 39-2, p. 19, lines 12-13: Exhibit 30).

On July 21, 2009 the Plaintiffs filed their Motion for Sanctions and Contempt (Distr. Dkt. 41). Just six days later, the day before the hearing on that Motion, Ondova filed a Chapter 11 bankruptcy proceeding (Distr. Dkt. 48).

At the July 28, 2009 hearing Baron's then counsel Larry Friedman informed Judge Furgeson that Ondova had filed the bankruptcy without notice to him in violation of the Court's requirement that no action was to be taken without the Court's approval. (Distr. Dkt. 52, p. 12, lines 9-25; p.13, lines 1-11: Exhibit 31). The Court observed that Baron had "gone through enormous numbers of lawyers at great expense to himself and a lack of continuity to his representation and I think to his detriment" (Distr. Dkt. 52, p. 16, lines 23-25: Exhibit 31) and that Baron was "way over litigious with way too many lawyers," (Distr. Dkt. 52, p.18, lines 14-15: Exhibit 31), and that his litigation approach "continues to complicate his legal problems by just layering lawyer upon lawyer into his activities." (Distr. Dkt. 52, p. 22, lines 16-19: Exhibit 31).

Because Mr. Baron was present at an August 18, 2009 Status Conference, the Court warned him personally that the tactic of changing lawyers and changing forums was regarded by the Court as an abuse of the justice system: "I think this is a litigation tactic. There is no one in this courtroom that can look at this and think it's anything other than an effort to get out from under my jurisdiction." (Distr. Dkt. 66, p. 66, lines 13-16: Exhibit 32).

Two weeks later at a September 10, 2009 Status Conference, the Court again warned Mr. Baron, through his counsel, that his conduct might have criminal consequences. "I think we're

going to hire criminal counsel for Mr. Baron. I think Mr. Baron is very close to sustaining criminal liability. He's in a bankruptcy court under the most unusual of circumstances that could create liability. He has obligations to not obstruct justice in this Court." (Distr. Dkt. 68, p. 28, lines 8-25: Exhibit 33).

In defiance of the Court's statements concerning the number of counsel he had hired, Baron moved on October 17, 2009 to hire additional counsel, Jeffrey T. Hall, to assist with the civil litigation. On January 26, 2010, Friedman & Feiger filed its Motion to Withdraw as Counsel for Baron, citing "irreconcilable conflict of interest" between it and Mr. Baron on April 19, 2010, Jeffrey T. Hall filed his Motion to Withdraw as Counsel for defendants, citing Baron's refusal in fulfilling his financial obligations to the lawyer, and that his continued representation of Baron would impose an unreasonable financial burden on the lawyer. Later the Motion was withdrawn and re-filed as a Motion to Withdraw and to Substitute Gary Lyon as primary counsel. Gary Lyon filed his Notice of Appearance on August 26, 2010. According to the Court's count Mr. Lyon was Mr. Baron's eleventh lawyer in the Netsphere litigation.

THE BANKRUPTCY CASE

From the early stages of the Bankruptcy Case, the Bankruptcy Court found reason to question Baron's tactics and motives. During only the second hearing in the Bankruptcy Case on August 5, 2009, the Bankruptcy Court questioned whether the bankruptcy filing was merely "an affront to what has already transpired after many weeks or months before the District Court, of much wrangling, analysis and litigation." (Bankr. Dk. 38, p. 80 line 21 – 24: Exhibit 34). The Bankruptcy Court concluded that it "believes, with all due respect to the Debtor's fine bankruptcy counsel here, that there was some forum-shopping going on, and this [case] is mostly a litigation tactic." (Bankr. Dk. 38, p. 81 line 5 – 8: Exhibit 34). Before the substance of a Cash Collateral Hearing even began on September 1, 2009, Baron's tactics caused the Bankruptcy

Court to ponder whether it needed to exercise its *sua sponte* powers to appoint a Chapter 11 Trustee for cause. (Bankr. Dk. 126, p. 16 line 11 – p. 17 line 9: Exhibit 35.)

After Baron took the stand on September 1, 2009 during the Cash Collateral Hearing and repeatedly failed to answer most questions directly or completely and was unable to adequately and transparently discuss the Debtor's business and his role therewith, (Bankr. Dk. 126, p. 120 line 23 – p. 121 line 18: Exhibit 35) the Bankruptcy Court's frustrations with Baron led to the issuance of a show cause order as to why a Chapter 11 Trustee should not be appointed over the Debtor. (Bankr. Dk. 126, p. 227 line 21 – 25: Exhibit 35.) The bases for the Bankruptcy Court's show cause order are as follows:

"During the hearings on the Section 363 Cash Usage Motion, which still have not concluded (the court setting the next hearing on the Section 363 Cash Usage Motion for September 11, 2009 at 9:30 a.m.), the court became concerned about whether it is appropriate to allow Ondova to remain on as a debtor-in-possession in this bankruptcy case. Among the things driving this concern are the following. First, the hearing on September 1, 2009 began with an attempt by the Debtor to terminate its bankruptcy counsel and seek a continuance of the hearing on the Section 363 Cash Usage Motion (in light of a desire to retain new bankruptcy counsel). The court noted that it was especially troubled with this development—given that the Debtor has a long prepetition history of playing “musical lawyers” in litigation with NetSphere, Inc. Second, the court has been troubled at both the August 26, 2009 and September 1, 2009 hearings, with: (a) an apparent lack of forthcomingness on the part of the Debtor’s principal, Mr. Barron [sic]; (b) an inability on Mr. Barron’s [sic] part to concisely answer straightforward questions about the Debtor’s business; and (c) the assertion of the attorney-client privilege by the Debtor in situations where such an assertion may not be consistent with the fiduciary duties of a debtor-in-possession (i.e., in situations where, surely, a Bankruptcy Trustee would see fit to waive the privilege in the interests of creditors and in the interests of the efficient administration of the bankruptcy estate). The court also perceives that the goal of Ondova in this Chapter 11 case (while under the direction of Mr. Barron [sic] and the current management team) may not be centered attempting to relitigate issues already decided or settled in other fora. Finally, the court is concerned about complex, prepetition transactions among various companies in which Mr. Barron [sic] has some interest or control, which transactions may affect the Debtor (and the value available/reachable for creditors), that need investigating by an independent fiduciary." (Bankr. Dk. 56: Exhibit 36.)

At the September 11, 2009 hearing on the Bankruptcy Court's show cause order, among other matters, the Bankruptcy Court ruled that cause existed to appoint a Chapter 11 Trustee:

"including the mismanagement of the affairs of this estate by the debtor in possession while under the direction of Mr. Baron. And, also, cause being the lack of candor and cooperation of Mr. Baron as a representative of the debtor in possession." (Bankr. Dk. 112, p. 36 line 9 – 15: Exhibit 37.)

Even after the Trustee was appointed to remove Baron from control of the Debtor, Baron continued to frustrate the Bankruptcy Court and stand in the way of the administration of the Bankruptcy Case. For example, Baron repeatedly attempted to duck his deposition. At the April 7, 2010 hearing on the Motions for 2004 Examination, the Bankruptcy Court voiced its displeasure with Baron and his tactics:

"This is very, very frustrating. And I know that everyone pretty much shares my frustration. But I'm frustrated that Mr. Baron is an obstacle here, and maybe nothing short of testifying and facing a holding cell if he doesn't cooperate and testify is going to get him to budge in this." (Bankr. Dk. 298, p. 38 line 5 – 9: Exhibit 38.)

Baron's tactics resulted in the Bankruptcy Court making ready to use whatever power it had to obtain the cooperation of Baron:

"If I have to make space available here at the courthouse in a conference room with a U.S. Marshal babysitting the process, I will. And I say that mostly for Mr. Baron's sake." (Bankr. Dk. 298, p. 37 line 21 – 24: Exhibit 38.)

In concluding the hearing, the Bankruptcy Court warned that "if we have to go to DEFCON 3, or whatever that expression is, at that point, we will." (Bankr. Dk. 298, p. 38 line 16 – 18: Exhibit 38.)

At a July 12, 2010 on the Trustee's Settlement Motion, Baron exasperated the Bankruptcy Court yet again – this time, by waffling on whether he approved the settlement agreement:

"Okay. I -- I'm beyond frustrated. And I'm thinking about my contempt powers right now. That's how frustrated I am. And ask your attorney during the break what I mean by that, if you don't understand." (Bankr. Dk. 412, p. 112 line 21 – 24: Exhibit 39.)

In fact, the Bankruptcy Court admonished both Baron and his attorney for wasting everyone's time, stating plainly, "You are wasting this Court's time. You're wasting everybody's time. So are you, Mr. Baron." (Bankr. Dk. 298, p. 154 line 7 – 9: Exhibit 38.)

By the September 15, 2010 Status Conference, Mr. Baron had been through multiple attorneys in and outside the Bankruptcy Case and the Bankruptcy Court was exasperated by Baron's gamesmanship:

"I am more than a little concerned about the 'musical attorneys' . . . And I cannot figure out why, for the life of me, we have the "musical lawyers" going on, but it's going to stop today (Bankr. Dk. 470, p. 6 line 2 – 9: Exhibit 40). . . There are no more lawyers going to be allowed." (Bankr. Dk. 470, p. 15 line 7 – 8: Exhibit 40).

The Bankruptcy Court ruled that Mr. Baron was finished with his games of changing counsel and postulated which sanction would best fit the circumstances he created:

". . . there is zero chance Mr. Baron is getting a new lawyer. Zero. Zero. Okay? 40-something lawyers. 40-something lawyers. (Bankr. Dk. 470, p. 53 line 25 – p. 54 line 2: Exhibit 40) . . . You know, is it Rule 11 sanctionable? Is it gamesmanship? Is it obvious improper purpose to delay? Or is it Texas Penal Code theft of services? You know, I am just so troubled for so many reasons." (Bankr. Dk. 470, p. 60 line 7 – 10: Exhibit 40.)

Reaching its capacity for Baron's tactics, on October 12, 2010, the Bankruptcy Court filed its *Report and Recommendation to District Court (Judge Royal Furgeson): That Peter Vogel, Special Master, Be Authorized and Directed to Mediate Attorneys Fees Issues* (the "Report and Recommendation"). (Bankr. Dk. 484: Exhibit 41). Through the Report and Recommendation, the Bankruptcy Court seriously questions whether Baron's habit of hiring and then firing lawyers rises to criminal conduct under the Texas Penal Code. (Bankr. Dk. 484: Exhibit 41.) The Bankruptcy Court also clearly states that "Baron will not be allowed to hire additional attorneys" and will "either retain Gary Lyon and Martin Thomas through the end of the bankruptcy case . . . or he can proceed *pro se*." (Bankr. Dk. 484: Exhibit 41.) If Baron elects to proceed *pro se*, the Bankruptcy Court warns that if Baron fails to cooperate, "he can expect this court to recommend [to Judge Furgeson] that he appoint a receiver over Mr. Baron" (Bankr. Dk. 484: Exhibit 41.)

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., et al.,

v.

JEFFREY BARON, et al.

§
§
§
§
§

Case No. 3:09-CV-00988-F

DECLARATION OF RAYMOND J. URBANIK

I, Raymond J. Urbanik., hereby declare and state the following:

1. I am counsel of record for Daniel J. Sherman, in his capacity as the Chapter 11 Trustee for Ondova Limited Company, and the following is based upon my personal knowledge and is true and correct.

2. Except for Exhibit 1, all of the exhibits in the Appendix of which this Declaration is a part are true and correct copies of public records that I have compiled from court records and/or from transcripts prepared by court reports.

3. I also have in my possession voluminous records with regard to the asset structure that Jeffrey Baron has established for his assets. Attached hereto as Exhibit 1 is a chart that was created from those records which accurately summarizes those voluminous records. These records were obtained from Jeffrey Baron and his related entities and are therefore available for use to contradict this chart if it is inaccurate in any way.

4. Immediately subsequent to the appointment of the Receiver, steps had to be taken to stop the transfer of valuable property, including 300,000 internet domain names, to a foreign entity outside of the jurisdiction of the federal courts. In addition, we had learned that Baron or entities controlled by him, had funds in the United States that could be transferred to the Cook Islands if a Receivership had not been created. Mr. Baron's assets are substantially located in the Cook Islands – a location notorious for asset protection and non-compliance with United States

law. Since the filing of the Receivership, the entities located in the Cook Islands and controlled by Baron have advised the Receiver that they will not comply with the Receiver or the Receivership Order.

5. If the Order Appointing Receiver were dissolved, Jeffrey Baron would be free to transfer assets to the offshore entities in the Cook Islands and elsewhere.

6. During the course of the District court case and the Bankruptcy court case, from my personal experience, and from a review of Court records, Baron, for himself, has used a total of seventeen attorneys, three of whom did not formally enter an appearance. In addition, through his related entities, Baron has hired and fired numerous attorneys since the Trustee's appointment.

7. I hereby declare under penalty of perjury that the forgoing is true and correct.

Executed on: December 10, 2010



Raymond J. Urbanik

EXHIBIT 1

1 529,000 domain names were purchased from Manila Industries, Inc., for \$4.2M (secured promissory note) on 12/30/05. By Domain Name Management Agreement dated December 30, 2005, HCB engaged Simple Solution, LLC, a U.S. Virgin Islands limited liability company ("Simple"), to (i) register domain names and otherwise act as agent on behalf of HCB, including "full authority to execute any and all necessary agreements or contracts with registrars, registries and/or pay per click or parking services", and (ii) make and receive payments to/from registrars, registries and/or pay per click or parking services. Compensation is stated as "amounts expended and...reasonable administrative costs". (Note: Simple was not organized until February 14, 2006.) By Domain Name Registration Agreement dated December 30, 2005, Simple, as agent for HCB, engaged Compagna, LLC ("Compagna"), to register domain names. Stated compensation was \$9.00 per domain name, payable out of "revenue agreements with oversee.net or comparable company". ALSO, by Domain Name Registration Agreement dated December 30, 2005, Simple engaged Compagna to register domain names. Stated compensation was \$9.00 per domain name, payable out of "revenue agreements with oversee.net or comparable company". However, per Ray Urbanik, the Domain Name Registration Agreements currently in effect are the agreement between Ondova Limited Company ("Ondova") and Diamond Key, LLC ("Diamond Key") and Javelina, LLC ("Javelina"), respectively, dated March 2009. Neither agreement contains "pay out of revenue" language. 2 Realty Investment Management, LLC ("RIM"), purchased the NetSphere IP ("All copyrights and trade secrets related to the development of one or more search engines, and all copyrights and trade secrets related to the monetization or revenue optimization of search portals or other websites with search functions") for \$50,000 (secured promissory note) on 12/30/05. (Note: Though it is my understanding that, for tax/trust purposes, each of the entities was required to be a USVI entity, it is not clear if RIM is a Delaware entity or a USVI entity. A Delaware entity of the same name (formerly SMI Realty Management, LLC) was organized on March 4, 2003, and was authorized to do business in USVI on the purchase date. A USVI entity of the same name was organized November 23, 2009.) 3 2,500 domain names were purchased from Ondova for \$460,560 (secured promissory note) on 12/30/05. (The name change was effective 3/10/06.) 4 Nominee Agreement dated March 18, 2009, gives Manassas, LLC ("Manassas"), the authority to act as the nominee for Shiloh, Inc., with "legal title but... no beneficial interest in the names". The stated purpose is for Manassas to protect, manage and monetize the domain names (in lieu of Four Points Management, LLLP, doing so). 5 Shiloh, LLC ("Shiloh"), was organized March 25, 2009. The members are The MIMSK Trust and The Village Trust (50/50). By Assignments dated 7/1/09, (i) Shiloh transferred all of its right, title and interest in "claims and causes of action it may have now have or later acquire arising from its ownership of Quantec, Inc. or its involvement in that particular United States Virgin Island business structure which included or includes, or related or relates to, the following entities and individuals, including but not limited to: Shiloh, LLC; Javelina, LLC; Ondova Limited Company d/b/a Compagna; Manila Industries, Inc.; Netsphere, Inc.; Quantec, Inc.; Iguana Consulting, Inc. f/k/a Octavia Consulting, Inc.; Novo Point, Inc. f/k/a Loop Corporate Services, Inc.; Four Points Management, LLLP; Marshden, LLC; Simple Solutions, LLC f/k/a HCB, LLC; Blue Horizons Limited Liability Company f/k/a Macadamia Management, LLC; Search Guide, LLC f/k/a Realty Investment Management, LLC; Diamond Key, LLC; Manassas, LLC; Dennis Kleinfeld, Individually; Jeanne Hudson, Individually; Rvi Puri, Individually; Biju Mathew, Individually; Amit Asad, Individually; Rohit Krishan, Individually; Manish Aggrawal, Individually; and various officers and directors of the various named or related entities (the "Claims") for the purposes of prosecuting such claims and causes of action in Cause Number 06-11717 currently pending in the 68th Judicial District Court of Dallas County, Texas" (the "Case") to Quantec, LLC; and (ii) AsiaTrust Limited, as Trustee for The Village Trust, transferred its 50% membership interest in Shiloh to Quantec, LLC. 6 Manassas was organized in March 2009. The sole member and manager is Byron Dean. His contribution was \$1,000 cash. 7 Javelina was organized in March 2009. Its Manager is Novquant, LLC, and its sole member is The Village Trust. Stated consideration was intellectual property. By Assignments dated 7/1/09, (i) Javelina transferred all of its right, title and interest in the Claims in the Case to Novo Point Inc. ("Novo Point"), and (ii) AsiaTrust Limited, as Trustee of The Village Trust, transferred its 100% membership interest in Javelina to Novo Point. 8 Diamond Key was organized March 18, 2009. Nina deVassal is the Manager; The Village Trust is the member. Stated consideration was \$1,000 cash. Nominee Agreement dated March 18, 2009, gives Diamond Key the authority to act as the nominee for Shiloh, Inc., with "legal title but...no beneficial interest in the names". The stated purpose is for Diamond Key to protect, manage and monetize the domain names (in lieu of Four Points Management, LLLP, doing so). 9 Ondova and Daubin, Inc., entered into a Domain Name Registration Agreement dated June 2007. It does not contain "pay out of revenue" language. * According to Elizabeth Schurig, the other individuals are: Biju Matthew 11.425%; Amit Asad 4.5%; Rohit Krishan 4%; Manish Aggrawal 0.5%; and Amer Zaveri 0.25%. ** Novquant, LLC, was organized 7/1/09. + Owned 50% by The Village Trust until 7/6/09, when The Village Trust transferred its ownership (i) in Quantec, LLC, and (ii) Iguana Consulting, Inc., to Iguana Consulting, LLC, and transferred all of its right, title and interest in the Claims in the Case to Quantec, LLC, and Iguana Consulting, LLC, respectively. The Octavia name change was effective 3/3/06. ++ Owned 100% by The Village Trust until 7/6/09, when The Village Trust transferred its ownership to Novo Point, LLC, and transferred all of its right, title and interest in the Claims in the Case to Novo Point, LLC. The name change was effective 3/3/06.

EXHIBIT 2

REGISTER OF ACTIONS

CASE No. DC-06-11717

ONDOVA LIMITED COMPANY, et al vs. MANILA INDUSTRIES INC, et
al §
§
§
§

Case Type: **OTHER (CIVIL)**
Subtype: **DECLARATORY JUDGMENT
CIVIL**
Date Filed: **11/14/2006**
Location: **68th District Court**

PARTY INFORMATION

DEFENDANT AGGARWAI, MANISH	Lead Attorneys JOHN W MACPETE <i>Retained</i> 214-740-8662(W)
DEFENDANT ASAD, AMIR	
DEFENDANT CK VENTURES INC DBA HITFARM.COM	ROBERT W KANTNER <i>Retained</i> 214-743-4544(W)
DEFENDANT FOUR POINTS LLLP	JONATHAN A MANNING <i>Retained</i> 214-231-3246(W)
DEFENDANT HCB, LLC	JONATHAN A MANNING <i>Retained</i> 214-231-3246(W)
DEFENDANT KLEINFELD, DENIS	JONATHAN A MANNING <i>Retained</i> 214-231-3246(W)
DEFENDANT KRISHAN, MUNISH	JOHN W MACPETE <i>Retained</i> 214-740-8662(W)
DEFENDANT KRISHAN, ROHIT	
DEFENDANT MANILA INDUSTRIES INC	JOHN W MACPETE <i>Retained</i> 214-740-8662(W)
DEFENDANT MARSHDEN LLC	JONATHAN A MANNING <i>Retained</i> 214-231-3246(W)
DEFENDANT MATHEW, BIJU	JOHN W MACPETE

	<i>Retained</i>
	214-740-8662(W)
DEFENDANT NETSPHERE, INC	JOHN W MACPETE
	<i>Retained</i>
	214-740-8662(W)
DEFENDANT REALTY INVESTMENT MANAGEMENT, LLC	JONATHAN A MANNING
	<i>Retained</i>
	214-231-3246(W)
DEFENDANT SIMPLE SOLUTIONS, LLC	JONATHAN A MANNING
	<i>Retained</i>
	214-231-3246(W)
DEFENDANT ZAVERI, AMER	JOHN W MACPETE
	<i>Retained</i>
	214-740-8662(W)
MEDIATOR NO NAMED MEDIATOR	
PLAINTIFF BARON, JEFFREY	LAWRENCE J FRIEDMAN
	<i>Retained</i>
	972-788-1400(W)
PLAINTIFF ONDOVA LIMITED COMPANY	LAWRENCE J FRIEDMAN
	<i>Retained</i>
	972-788-1400(W)

EVENTS & ORDERS OF THE COURT

	DISPOSITIONS
01/02/2007	ORDER - CLOSE FILE (REMOVE TO FEDERAL COURIT) (Judicial Officer: HOFFMAN, MARTIN) Vol./Book 407c, Page 105, 16 pages
10/30/2007	ORDER - CLOSE FILE (REMOVE TO FEDERAL COURIT) (Judicial Officer: HOFFMAN, MARTIN) Vol./Book 418c, Page 458, 4 pages
07/17/2009	JUDGMENT - FINAL (ALL OTHER DISPOSITIONS) (Judicial Officer: HOFFMAN, MARTIN) Vol./Book 447C, Page 230, 1 pages

OTHER EVENTS AND HEARINGS

11/14/2006	ORIGINAL PETITION (OCA)		
11/16/2006	NOTE - CLERKS		
	REC NEW JKT		
12/04/2006	BOND FILED		
12/04/2006	ISSUE CITATION		
12/04/2006	ISSUE NOTICE		
12/04/2006	ISSUE TRO		
12/04/2006	CITATION		
	MANILA INDUSTRIES INC	Unserved	
	NETSPHERE, INC	Served	12/07/2006
	KRISHAN, MUNISH	Unserved	
	ASAD, AMIR	Unserved	
	MATHEW, BIJU	Unserved	
	AGGARWAI, MANISH	Unserved	

	ZAVERI, AMER	Unservd
	KRISHAN, ROHIT	Unservd
12/04/2006	NOTICE	
	MANILA INDUSTRIES INC	Unservd
	NETSPHERE, INC	Unservd
	KRISHAN, MUNISH	Unservd
	ASAD, AMIR	Unservd
	MATHEW, BIJU	Unservd
	AGGARWAI, MANISH	Unservd
	ZAVERI, AMER	Unservd
	KRISHAN, ROHIT	Unservd
12/04/2006	TEMPORARY RESTRAINING ORDER	
	MANILA INDUSTRIES INC	Unservd
	NETSPHERE, INC	Unservd
	KRISHAN, MUNISH	Unservd
	ASAD, AMIR	Unservd
	MATHEW, BIJU	Unservd
	AGGARWAI, MANISH	Unservd
	ZAVERI, AMER	Unservd
	KRISHAN, ROHIT	Unservd
12/04/2006	ORDER - MISC.	
	<i>EXPEDITED DISCOVERY</i>	
	Vol./Book 406C, Page 224, 2 pages	
12/04/2006	ORDER - TEMPORARY RESTRAINING ORDER	
	Vol./Book 406C, Page 226, 2 pages	
12/04/2006	MISCELLANEOUS EVENT	
	<i>P/VERIFIED APPL/TRO AND INJ RELIEF</i>	
12/06/2006	SPECIAL APPEARANCE	
	<i>DF</i>	
12/06/2006	MOTION - DISSOLVE	
	<i>DEF/M/DISSOLVE TRO</i>	
12/08/2006	MOTION HEARING (4:00 PM) (Judicial Officers MCFARLIN, SHERYL, STOKES, CHARLES)	
	<i>DISSOLVE TRO</i>	
12/08/2006	RESPONSE	
	<i>M/DISSOLVE-PLTF</i>	
12/12/2006	RULE 11	
	<i>E/RULE 11 AGREEMENT</i>	
12/12/2006	ORDER - TEMPORARY RESTRAINING ORDER	
	<i>Modified</i>	
	Vol./Book 406C, Page 375, 4 pages	
12/13/2006	MISCELLANEOUS EVENT	
	<i>N/APPEAL A.J. RULING</i>	
12/13/2006	RESPONSE	
	<i>N/APPEAL A.J.</i>	
12/14/2006	AMENDED PETITION	
	<i>1ST AMD ORIG PET</i>	
12/15/2006	MOTION HEARING (2:00 PM) (Judicial Officer MURPHY, MARY)	
	<i>DF/N/APPL/ASSOC JUDGE DEC. FILED 12/13/06 30 MINUTES JUDGE MURPHY WILL HEAR CASE</i>	
12/15/2006	MOTION - CIVIL POST JUDGMENT (WITH FEE)	
12/15/2006	MOTION - EXTEND	
	<i>PLTF</i>	
12/15/2006	ORDER - TEMPORARY RESTRAINING ORDER	
	<i>MODIFIED</i>	
	Vol./Book 407C, Page 15, 1 pages	
12/15/2006	ORDER - MEDIATION	
	Vol./Book 407c, Page 31, 1 pages	
12/15/2006	ORDER - ASSOCIATE JUDGE'S DECISION	
	<i>M/STAY</i>	
	Vol./Book 407C, Page 32, 2 pages	
12/18/2006	Temporary Injunction (2:30 PM) (Judicial Officer STOKES, CHARLES)	
12/18/2006	ORDER - EXTEND TRO	
	Vol./Book 407C, Page 36, 2 pages	
12/22/2006	MOTION - SUBSTITUE SERVICE	
01/02/2007	Temporary Injunction (1:30 PM) (Judicial Officer STOKES, CHARLES)	
01/02/2007	BRIEF FILED	
	<i>DEF/BENCH BRIEF REGARDING LACK OF JURISDICTION AFTER REMOVAL</i>	
01/29/2007	CANCELED Special Appearance (10:00 AM) (Judicial Officer HOFFMAN, MARTIN)	
	<i>CASE CLOSED</i>	
	<i>DEFENDENT - FILED 12/06/06 - 15 MIN</i>	
07/03/2007	ORDER - REINSTATE (OCA and REOPEN CASE)	
	Vol./Book 414C, Page 270, 41 pages	
07/23/2007	ISSUE CITATION	
07/24/2007	CITATION	
	<i>FIRST AMENDED</i>	
	HCB, LLC	Unservd
	REALTY INVESTMENT MANAGEMENT, LLC	Unservd
08/06/2007	SCHEDULING ORDER	
	<i>LEVEL 2</i>	
	Vol./Book 415C, Page 374, 2 pages	

08/09/2007	ISSUE CITATION COMM OF INS OR SOS		
08/09/2007	CITATION SOS/COI/COH/HAG		
	MANILA INDUSTRIES INC	Served	08/21/2007
08/09/2007	NOTE - CLERKS		
	*****START OF JKT 2*****		
08/09/2007	SUPPLEMENTAL PETITION		
	1ST		
08/09/2007	DESIGNATE LEAD COUNSEL		
08/15/2007	ISSUE CITATION		
08/15/2007	CITATION		
	FIRST AMENDED		
	HCB, LLC	Unserved	
	REALTY INVESTMENT MANAGEMENT, LLC	Unserved	
08/20/2007	AMENDED PETITION		
	2ND		
08/23/2007	ISSUE CITATION COMM OF INS OR SOS		
08/23/2007	CITATION SOS/COI/COH/HAG		
	MANILA INDUSTRIES INC	Served	08/24/2007
08/31/2007	CANCELED MOTION HEARING (9:00 AM) (Judicial Officer HOFFMAN, MARTIN)		
	REQUESTED BY ATTORNEY/PRO SE		
	PLTF M/MODIFY FILED 8/20/07		
09/04/2007	JURY DEMAND		
	Vol./Book J24, Page 39, 1 pages		
09/04/2007	ORIGINAL ANSWER - GENERAL DENIAL		
09/04/2007	MISCELLANEOUS EVENT		
	D/REQ/JURY TRIAL		
09/07/2007	MOTION - WITHDRAW ATTORNEY		
09/10/2007	CANCELED MOTION HEARING (2:30 PM) (Judicial Officer SIMS, M. KENT)		
	REQUESTED BY ATTORNEY/PRO SE		
	P/M/MODIFY - FILED 8/20/07-30 MIN		
09/17/2007	ORIGINAL ANSWER - GENERAL DENIAL		
10/04/2007	CANCELED MOTION HEARING (8:30 AM) (Judicial Officer HOFFMAN, MARTIN)		
	HEARING RESCHEDULED		
	P/M/MODIFY- FILED 08/20/07- 15 MINS		
10/12/2007	MOTION HEARING (8:30 AM) (Judicial Officer HOFFMAN, MARTIN)		
	PLTF - M/MODIFY FILED 8/20/07		
10/12/2007	SCHEDULING ORDER		
	AMENDED - LEVEL 3		
	Vol./Book 418C, Page 115, 3 pages		
10/18/2007	ISSUE CITATION COMM OF INS OR SOS		
10/18/2007	CITATION SOS/COI/COH/HAG		
	SOS		
	SIMPLE SOLUTIONS, LLC	Served	10/24/2007
10/18/2007	MOTION - MISCELLANEOUS		
	PLTF/M/APPOINT RECEIVER		
10/18/2007	AMENDED PETITION		
	3RD		
10/23/2007	AMENDED PETITION		
	4TH		
10/23/2007	MISCELLANEOUS EVENT		
	APPLICATION/TRO & TEMP INJUNCTION		
10/23/2007	ISSUE TRO AND NOTICE SOS		
10/23/2007	ISSUE CITATION COMM OF INS OR SOS		
10/23/2007	BOND FILED		
10/23/2007	CITATION SOS/COI/COH/HAG		
	4TH AMD-ATTYSOS		
	CK VENTURES INC DBA HITFARM.COM	Served	10/24/2007
10/23/2007	NOTICE		
	SOS/ATTY		
	CK VENTURES INC DBA HITFARM.COM	Served	10/24/2007
10/23/2007	TEMPORARY RESTRAINING ORDER		
	SOS/ATTY		
	CK VENTURES INC DBA HITFARM.COM	Served	10/24/2007
10/23/2007	ORDER - TEMPORARY RESTRAINING ORDER		
	Vol./Book 418C, Page 233, 3 pages		
10/24/2007	ISSUE CITATION COMM OF INS OR SOS		
10/24/2007	CITATION SOS/COI/COH/HAG		
	SOS		
	SIMPLE SOLUTIONS, LLC	Served	10/25/2007
10/25/2007	CANCELED Temporary Injunction (9:30 AM) (Judicial Officer HOFFMAN, MARTIN)		
	REQUESTED BY ATTORNEY/PRO SE		
10/31/2007	CANCELED Temporary Injunction (2:00 PM) (Judicial Officer HOFFMAN, MARTIN)		
	CASE CLOSED		
11/16/2007	CANCELED MOTION HEARING (9:30 AM) (Judicial Officer HOFFMAN, MARTIN)		
	CASE CLOSED		
	PL/M/APPT. REC'VER FILED 10/18/07 30M		
11/26/2007	CANCELED Settlement Conference (10:30 AM) (Judicial Officer HOFFMAN, MARTIN)		
	CASE CLOSED		
11/26/2007	ORDER - REINSTATE (OCA and REOPEN CASE)		

Vol./Book 419C, Page 486, 12 pages
 11/27/2007 **CANCELED Jury Trial - Civil** (9:00 AM) (Judicial Officer HOFFMAN, MARTIN)
 CASE CLOSED
 12/06/2007 **MOTION - SUBSTITUTION OF COUNSEL**
 UNOPPOSED
 12/07/2007 **ORIGINAL ANSWER - GENERAL DENIAL**
 CK VENTURES, INC DBA HITFARM.COM
 12/10/2007 **ORDER - SUBSTITUTION OF COUNSEL**
 Vol./Book 420C, Page 355, 1 pages
 12/11/2007 **MOTION - MODIFY MISC**
 Amened Scheduling Order (Level 3)
 12/11/2007 **ORIGINAL ANSWER - GENERAL DENIAL**
 Simple Solutions LLC
 02/01/2008 **NOTICE OF APPEARANCE**
 02/29/2008 **RULE 11**
 02/29/2008 **ORDER - NONSUIT**
 AGAINST CK VENTURES D/B/A HITFARM.COM
 Vol./Book 423C, Page 495, 3 pages
 02/29/2008 **MOTION - QUASH**
 03/06/2008 **MOTION - QUASH**
 03/07/2008 **MOTION - QUASH**
 (3)
 03/11/2008 **MOTION - QUASH**
 03/12/2008 **MOTION - QUASH**
 03/18/2008 **CANCELED Motion - Quash** (2:00 PM) (Judicial Officer SNELSON, TERESA GUERRA)
 REQUESTED BY ATTORNEY/PRO SE
 DEFENDENT - FILED 2/29/2008
 03/18/2008 **Motion - Quash** (2:00 PM) (Judicial Officer SNELSON, TERESA GUERRA)
 DEFENDENT - FILED 2/29/2008
 03/19/2008 **NOTICE OF APPEAL OF AJ**
 03/19/2008 **RULE 11**
 03/24/2008 **AMENDED PETITION**
 5TH
 03/24/2008 **ORDER - ASSOCIATE JUDGE'S DECISION**
 M/QUASH-DENIED
 Vol./Book 424C, Page 377, 2 pages
 03/27/2008 **RETURN OF SERVICE**
 1 ATTY SUBP ISSUED EXEC 3/25/08 (SAMANTHA CLARK) DENTON CO TENDER FEE \$10
 03/27/2008 **ORDER - MISC.**
 REGARDING DEPOSITIONS, MEDIATION AND MODIFICATION OF SCHEDULING - COPY OF ORDER SENT TO
 Vol./Book 425C, Page 62, 6 pages
 03/28/2008 **CANCELED Motion - Quash** (9:00 AM) (Judicial Officer HOFFMAN, MARTIN)
 REQUESTED BY ATTORNEY/PRO SE
 DEFENDENT - FILED 3/12/2008
 04/02/2008 **RULE 11**
 04/07/2008 **CANCELED Motion - Quash** (10:00 AM) (Judicial Officer HOFFMAN, MARTIN)
 REQUESTED BY ATTORNEY/PRO SE
 DEFENDENTS (REALTY INVESTMENT/SIMPLE SOLUTIONS - FILED 3/7/2008
 04/17/2008 **RULE 11**
 04/18/2008 **Motion - Quash** (10:30 AM) (Judicial Officer HOFFMAN, MARTIN)
 DEFENDENT - M/QUASH- FILED 3/12/2008
 04/21/2008 **CANCELED Motion - Quash** (10:00 AM) (Judicial Officer HOFFMAN, MARTIN)
 REQUESTED BY ATTORNEY/PRO SE
 DEFENDENT (HCB) - FILED 3/7/2008
 04/28/2008 **CANCELED DISMISSAL FOR WANT OF PROSECUTION** (9:00 AM) (Judicial Officer HOFFMAN, MARTIN)
 BY COURT ADMINISTRATOR
 SETTLED AT MED--SEE 3/28/08 letter from Burdin Med.
 05/16/2008 **ORDER - MISC.**
 STAY DEADLINES
 Vol./Book 427C, Page 127, 2 pages
 05/16/2008 **MOTION - MISCELLANEOUS**
 STAY PROCEEDINGS
 06/02/2008 **CANCELED Motion - Quash** (10:30 AM) (Judicial Officer HOFFMAN, MARTIN)
 REQUESTED BY ATTORNEY/PRO SE
 DEFENDENT(HCB) - FILED 3/7/08
 06/20/2008 **MISCELLANEOUS EVENT**
 JOINT STATUS REPORT
 07/16/2008 **MISCELLANEOUS EVENT**
 STATUS REPORT
 08/20/2008 **MISCELLANEOUS EVENT**
 JOINT STATUS REPORT
 09/16/2008 **MISCELLANEOUS EVENT**
 JOINT STATUS REPORT
 10/06/2008 **MOTION - CONTINUANCE**
 10/07/2008 **ORDER - GRANTING CONTINUANCE**
 COPY TO PLTF
 Vol./Book 434c, Page 204, 1 pages
 01/22/2009 **MISCELLANEOUS EVENT**
 JOINT STATUS REPORT
 03/05/2009 **MISCELLANEOUS EVENT**

03/09/2009 MOTION LIFT STAY
MISCELLANEOUS EVENT
MOTION FOR APPT RECEIVER

03/13/2009 **MISCELLANEOUS EVENT**
MOTION APPT SPECIAL MEDIATOR & DEPOSIT CERTAIN DOMAIN NAMES INTO THE REGISTRY OF THE COURT

04/10/2009 **RESPONSE**
IN OPP MOTION LIFT STAY

04/13/2009 **MOTION HEARING** (4:00 PM) (Judicial Officer HOFFMAN, MARTIN)
M/LIFT STAY - PLTF - FILED 3/2/2009

04/13/2009 **MISCELLANEOUS EVENT**
MOTION DISQUALIFY CERTAIN DEF'S CNSL

04/13/2009 **ORDER - MISC.**
LIFT STAY
Vol./Book 442C, Page 498, 1 pages

04/14/2009 **SPECIAL EXCEPTIONS**
D/SPECIAL EXCEPTIONS TO P/5TH AMND PETITION

04/20/2009 **Scheduling Conference** (3:30 PM) (Judicial Officer HOFFMAN, MARTIN)
SET BY JUDGE

04/20/2009 **SCHEDULING ORDER**
Vol./Book 443C, Page 183, 4 pages

04/23/2009 **NOTICE OF APPEARANCE**
& DESIGNATION OF LEAD CNSL

04/24/2009 **NOTE - CLERKS**
*****SEE JACKET # 3*****

04/27/2009 **OBJECTION**
MOTION APPT RECVR

04/27/2009 **AMENDED ANSWER - AMENDED GENERAL DENIAL**
1ST & SPEC EXCPTS

04/27/2009 **SPECIAL APPEARANCE**
& ORIGINAL ANSWER

04/27/2009 **SPECIAL APPEARANCE**
& ORIGINAL ANSWER

04/27/2009 **SPECIAL APPEARANCE**
& ORIGINAL ANSWER

05/08/2009 **MOTION - WITHDRAW MISC**

05/11/2009 **MOTION HEARING** (3:00 PM) (Judicial Officer HOFFMAN, MARTIN)
DISQUALIFY - SET PER JUDGE

05/12/2009 **MISCELLANEOUS EVENT**
NOTICE OF MEDIATED SETTLEMENT AND M/VACATE SCHEDULING/TRIAL

05/13/2009 **MOTION - MISCELLANEOUS**
M/MAINTAIN STATUS QUO

05/18/2009 **CANCELED Special Exceptions** (3:30 PM) (Judicial Officer HOFFMAN, MARTIN)
REQUESTED BY ATTORNEY/PRO SE

05/22/2009 **MOTION - QUASH**
& OBJ TO SUBP DUCES TECUM

05/25/2009 **ORDER - WITHDRAW ATTORNEY**
Vol./Book 444c, Page 439, 1 pages

05/26/2009 **AMENDED PETITION**
6th- PLTF

05/29/2009 **CANCELED MOTION HEARING** (9:15 AM) (Judicial Officer HOFFMAN, MARTIN)
REQUESTED BY ATTORNEY/PRO SE

05/29/2009 **APPLICATION - TEMPORARY RESTRAINING ORDER**
TEMP INJ & PERM INJ

06/04/2009 **MOTION - QUASH**

06/04/2009 **MOTION - SUBSTITUTION OF COUNSEL**

06/05/2009 **Temporary Injunction** (1:30 PM) (Judicial Officer HOFFMAN, MARTIN)
SET PER JUDGE

06/05/2009 **MOTION - QUASH**
& MOTION PROTECT - 2ND EMERGENCY

06/05/2009 **MOTION - QUASH**
& MOTION PROTECT

06/05/2009 **RESPONSE**
IN OPPOSITION TO EMERGENCY MOTION QUASH & MOTION PROTECT

06/05/2009 **RESPONSE**
IN OPPOSITION TO APPL TRO; TEMP INJ & PERM INJ

06/05/2009 **ORDER - SUBSTITUTION OF COUNSEL**
COPY TO PLTF
Vol./Book 445C, Page 131, 1 pages

06/08/2009 **RETURN OF SERVICE**
3 ATTY SUBP ISSUED EXEC 6/4/09 (NETSPHERE INC, MUNISH KRISHAN AND MANILA INC) PPS TENDER FEES \$30

06/10/2009 **APPLICATION - TEMPORARY RESTRAINING ORDER**
TEMP INJ & PERM INJ

06/10/2009 **MISCELLANEOUS EVENT**
MOTION EXPEDITE DISCOVERY

06/11/2009 **MOTION - COMPEL**
(2)

06/15/2009 **MISCELLANEOUS EVENT**
OPPOSITION TO MOTION FOR EXPEDITED DISCOVERY

06/15/2009 **MISCELLANEOUS EVENT**
MOTION ENFORCE MEDIATED SETTLEMENT AGREEMENT

06/15/2009 **RESPONSE**
IN OPPOSITION TO APPL TRO; TEMP INJ & PERM INJ

06/15/2009 **RESPONSE**
IN OPPOSITION MOTION EXPEDITE DISCOVERY

06/15/2009 **RESPONSE**
IN OPPOSITION MOTION COMPEL

06/15/2009 **DESIGNATE LEAD COUNSEL**

06/15/2009 **MOTION - QUASH**

06/15/2009 **ORDER - DENY**
APPLICATION FOR TRO - DENIED
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07/10/2009 **RESPONSE**
OPP MOTION ENFORCE MEDIATED SETTLEMENT AGREEMENT

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07/16/2009 **MOTION - DISMISS**

07/16/2009 **MOTION - SEAL**
(2)

07/16/2009 **MISCELLANOUS EVENT**
MOTION FOR AUTHORITY TO CONDUCT DISCOVERY ON PAGE 2

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07/17/2009 **MOTION HEARING** (1:30 PM) (Judicial Officer HOFFMAN, MARTIN)
M/ENFORCE

07/17/2009 **MOTION HEARING** (1:30 PM) (Judicial Officer HOFFMAN, MARTIN)
ATTY FEES

07/17/2009 **MOTION HEARING** (1:30 PM) (Judicial Officer HOFFMAN, MARTIN)
M/CONDUCT DISCOVERY -

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07/17/2009 **MISCELLANOUS EVENT**
BEGIN JKT #4

07/30/2009 **NOTICE OF BANKRUPTCY**
& NOTICE OF STAY

08/03/2009 **CANCELED Motion - Compel** (10:30 AM) (Judicial Officer HOFFMAN, MARTIN)
CASE CLOSED
PLTF - FILED 6/11/2009

08/03/2009 **Motion - Compel** (10:30 AM) (Judicial Officer HOFFMAN, MARTIN)
PLTF

08/17/2009 **CANCELED Motion - Seal** (4:00 PM) (Judicial Officer HOFFMAN, MARTIN)
CASE CLOSED
M/SET TO POST DOWNSTAIRS OF HEARING. ATTY'S NOT ALLOWED TO CANCEL W/O JUDGE'S PERM

08/17/2009 **Motion - Seal** (4:00 PM) (Judicial Officer HOFFMAN, MARTIN)
*****DO NOT CANCEL W/O JUDGES PERMISSION

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09/28/2009 **CANCELED Status Conference** (9:00 AM) (Judicial Officer HOFFMAN, MARTIN)
CASE CLOSED
SET PER JUDGE

09/28/2009 **Status Conference** (9:00 AM) (Judicial Officer HOFFMAN, MARTIN)

12/08/2009 **CANCELED Jury Trial - Civil** (9:00 AM) (Judicial Officer HOFFMAN, MARTIN)
CASE CLOSED
SPECIAL SET

01/29/2008 Reset by Court to 10/28/2008
 10/28/2008 Reset by Court to 05/26/2009
 05/26/2009 Reset by Court to 12/08/2009
 12/08/2009 CANCELED Jury Trial - Civil (8:58 AM) (Judicial Officer HOFFMAN, MARTIN)
 CASE CLOSED
 09/29/2010 ORDER - DISMISSAL
 STIPULATED
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FINANCIAL INFORMATION

	D EFENDANT ASAD, AMIR			
	To tal Financial Assessment			15.00
	To tal Payments and Credits			15.00
	B alance Due as of 12/07/2010			0.00
12/15/2006	Tr ansaction Assessment			15.00
12/15/2006	PAY MENT (CASE FEES)	Receipt # 72923-2006-DCLK	SPECIAL DELIVERY	(15.00)
	D EFENDANT HCB, LLC			
	To tal Financial Assessment			30.00
	To tal Payments and Credits			30.00
	B alance Due as of 12/07/2010			0.00
09/04/2007	Tr ansaction Assessment			30.00
09/04/2007	PAY MENT (CASE FEES)	Receipt # 50320-2007-DCLK	PAYNE & BLANCHARD LLP	(30.00)
	D EFENDANT MANILA INDUSTRIES INC			
	To tal Financial Assessment			2.00
	To tal Payments and Credits			2.00
	B alance Due as of 12/07/2010			0.00
07/09/2009	Tr ansaction Assessment			2.00
07/21/2009	PAY MENT (CASE FEES)	Receipt # 54587-2009-DCLK	LOCKE LIDDELL DALLAS	(2.00)
	I NTERVENOR ALDOUS, CHARLA G			
	To tal Financial Assessment			29.00
	To tal Payments and Credits			29.00
	B alance Due as of 12/07/2010			0.00
07/01/2009	Tr ansaction Assessment			27.00
07/09/2009	Tr ansaction Assessment			2.00
07/16/2009	PAY MENT (CASE FEES)	Receipt # 53334-2009-DCLK	JEFFREY H RASANSKY	(27.00)
07/23/2009	PAY MENT (CASE FEES)	Receipt # 55961-2009-DCLK	ROYCE B WEST	(2.00)
	I NTERVENOR QUANTEC LLC			
	To tal Financial Assessment			35.00
	To tal Payments and Credits			35.00
	B alance Due as of 12/07/2010			0.00
07/09/2009	Tr ansaction Assessment			27.00
07/20/2009	PAY MENT (CASE FEES)	Receipt # 54159-2009-DCLK	ROYCE B WEST	(27.00)
07/16/2009	Tr ansaction Assessment			2.00
07/23/2009	PAY MENT (CASE FEES)	Receipt # 55904-2009-DCLK	ROYCE B WEST	(2.00)
07/17/2009	Tr ansaction Assessment			2.00
07/23/2009	PAY MENT (CASE FEES)	Receipt # 55991-2009-DCLK	ROYCE B WEST	(2.00)
07/23/2009	Tr ansaction Assessment			2.00
07/23/2009	PAY MENT (CASE FEES)	Receipt # 55992-2009-DCLK	ROYCE B WEST	(2.00)
07/23/2009	Tr ansaction Assessment			2.00

07/23/2009	PAY MENT (CASE FEES)	Receipt # 55994-2009-DCLK	ROYCE B WEST	(2.00)
	PL AINTIFF ONDOVA LIMITED COMPANY			
	Total Financial Assessment			589.00
	Total Payments and Credits			589.00
	Balance Due as of 12/07/2010			0.00
11/14/2006	Transaction Assessment			217.00
11/14/2006	PAY MENT (CASE FEES)	Receipt # 67816-2006-DCLK	MATEER & SHAFFER LLP	(217.00)
12/04/2006	Transaction Assessment			196.00
12/04/2006	PAY MENT (CASE FEES)	Receipt # 70719-2006-DCLK	MATEER & SHAFFER LLP	(196.00)
07/23/2007	Transaction Assessment			16.00
07/23/2007	PAY MENT (CASE FEES)	Receipt # 40702-2007-DCLK	CARRINGTON COLEMAN	(16.00)
08/09/2007	Transaction Assessment			12.00
08/09/2007	PAY MENT (CASE FEES)	Receipt # 44717-2007-DCLK	CARRINGTON COLEMAN	(12.00)
08/15/2007	Transaction Assessment			16.00
08/15/2007	PAY MENT (CASE FEES)	Receipt # 45731-2007-DCLK	CARRINGTON COLEMAN	(16.00)
08/23/2007	Transaction Assessment			12.00
08/23/2007	PAY MENT (CASE FEES)	Receipt # 47821-2007-DCLK	CARRINGTON COLEMAN	(12.00)
10/18/2007	Transaction Assessment			12.00
10/18/2007	PAY MENT (CASE FEES)	Receipt # 59983-2007-DCLK	CARRINGTON COLEMAN	(12.00)
10/23/2007	Transaction Assessment			40.00
10/23/2007	PAY MENT (CASE FEES)	Receipt # 60807-2007-DCLK	DAVID COALE	(40.00)
10/24/2007	Transaction Assessment			12.00
10/24/2007	PAY MENT (CASE FEES)	Receipt # 61033-2007-DCLK	CARRINGTON COLEMAN	(12.00)
04/23/2009	Transaction Assessment			2.00
05/04/2009	PAY MENT (CASE FEES)	Receipt # 32579-2009-DCLK	ROBERT WOLF	(2.00)
05/22/2009	Transaction Assessment			2.00
06/04/2009	PAY MENT (CASE FEES)	Receipt # 41984-2009-DCLK	ROBERT WOLF	(2.00)
07/08/2009	Transaction Assessment			50.00
07/08/2009	PAY MENT (CASE FEES)	Receipt # 50833-2009-DCLK	DALLAS COUNTY TREASURER	(50.00)
07/17/2009	Transaction Assessment			2.00
07/23/2009	PAY MENT (CASE FEES)	Receipt # 55869-2009-DCLK	JANELLE FRIEDMAN	(2.00)

EXHIBIT 3

Settlement Agreement

On the 25 day of April, 2009, the below parties met in mediation in the matter of:

Manula, On deva, USUI etc.

and settled all matters in controversy between and among the parties whose signatures appear below. All parties acknowledge that: (1) they freely participated in the mediation process; (2) they enter into this settlement agreement in good faith; (3) they relied upon their own good judgment and independent legal advice of their own counsel and not on the representations, if any, of the mediator; and (4) that no coercion, duress or undue influence was used by any party, attorney, or the mediator to obtain their signature and consent to settle this matter on the following terms:

MB
MK
(HP)

See attached

[Large diagonal line crossing out the lined area]

This settlement agreement is intended to be a full and final settlement agreement containing all material terms even though the parties may prepare a more formal settlement document, release language and dismissal papers.

MK *[Signature]*

Tax Advice Disclosure: To ensure compliance with requirements imposed by the IRS under Circular 230, we inform you that any U.S. federal tax advice that may have been communicated by any participant in the mediation (including the mediator) in written or verbal form, unless otherwise specifically stated, was not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to another party any matters addressed herein.

MK *[Signature]*

MK *[Signature]* hack hardy counsel will prepare ~~release and~~ dismissal papers and send them to opposing counsel by within 5 days of transfer. Signed this 26 day of April, 2009.

[Signature]

[Handwritten signatures and lines]

MOU

"Manila Parties" = Munish Krishan, Manila Industries, Inc., and Netsphere, Inc.

"Ondova" = Jeff Baron, and Ondova, ~~or its designee, associated trusts~~

"USVI parties" = Dennis Kleinfeld, Jeannie Hudson and all officers, directors and employees of the USVI entities

"USVI entities" = HCB LLC, RIM LLC, Simple Solutions LLC, Search Guide LLC, Blue Horizons LLC, Four Points LLLP, Novo Point, Inc., Iguana, Inc., and Quantec, Inc.

or its designee/trust/ass. co payable \$100,000 to USVI parties for TMAIP defense for Ondova and on July 1 to Ondova or its designee

- Manila will pay Ondova \$4 million cash, ~~\$1 million on July 1, 2009~~ and \$3 million plus interest at 10% by July 1, 2012, *interest paid quarterly beginning Oct 1, 2009.*
- Munish personally guarantees \$3 million
- Within 10 days, Manila Portfolio to be split 50/50 based on alphabetical order (with any names beginning with a number rather than a letter to be ordered in ascending numerical order and placed before the domain names beginning with a letter); assign each domain name a number beginning with 1 and divide into 2 groups: odd numbers and even numbers. Coin flip, ~~by mediator~~; Heads ~~Jeff~~ gets odd numbered names, Tails he gets even numbered names. HCB quitclaims any interest in Manila's half of names. *Names subject to lawsuit - list created by Manila.*
- Netsphere ~~releases~~ *the Manila parties* all claims to Blue Horizon portfolio
- Netsphere has option to monetize pokerstar.com for as long as 25 years and gets 50% of revenue, *and send 50% of rev to Ondova or its designee that payment can cancel IC if total falls below 12,500 for 6 consecutive months*
- 50/50 true up of all monies paid during the litigation by USVI entities to Jeff/Ondova or Manila parties. *AS of May 1, 2009* After true-up, all monies held by USVI entities and any amounts necessary to complete 50/50 true-up shall be paid into an indemnity fund set up by Manila for existing TM litigation against the Manila portfolio. USVI entities assign Overseas lawsuit to Manila and any net recoveries will be deposited into indemnity fund. Recent Hitfarm prepayments to Verisign included in true-up. ~~Remaining balance after resolution of attachment A cases split 50/50 between Ondova and Manila.~~
- Manila defends existing TM litigation against the Manila portfolio listed on attachment A and indemnifies Jeff/Ondova ~~only~~ *only* for their liability from those cases. Defense, settlement and judgment costs paid out of indemnity fund. *Ondova has no firm of liability for these TM lawsuits.* Remaining balance after resolution of attachment A cases split 50/50 between Ondova and Manila. Jeff & Ondova agree that any Manila lawyer defending the ~~cases on attachment A~~ *cases above* are not acting as Jeff or Ondova's lawyer. If any dispute arises between Jeff/Ondova and the Manila parties, Jeff/Ondova agree that they cannot disqualify any Manila lawyer as a result of their defense of the cases ~~on attachment A~~ *above*. *Ondova & Baron can't be compelled to sign a consent decree but is required to transfer names required by a plaintiff in a TM dispute.*
- Complete releases by all parties in favor of all parties and their officers, directors, shareholders, attorneys, employees, etc. including any claims to any of the Manila parties' IP. Jeff and Ondova's claims in the calling cards lawsuit are the only claim not part of the complete releases.

within ten days

All parties will seek an agreed order ~~from the court~~ *within ten days* directing Verisign to transfer Manila's half of the portfolio to a registrar picked by Manila within ~~30~~ *10* days

- Any monetization money received by any of the parties for monetization of the Manila portfolio before transfer of Manila's half of the Manila portfolio to Manila will be split 50/50
- Jeff is sole owner/controller of entities in USVI structure. *upon division of the Manila portfolio* USVI parties and Manila parties quitclaim all interest in USVI entities to Ondova. *designee/trust of* All entities in the USVI structure give complete release to the Manila parties and the USVI parties and quitclaim any interest in Manila's half of the Manila portfolio and any of the Manila parties IP. *to Manila*

~~12. Ondova has 90 days to transition his 1/2 of the portfolio. Fee~~

13. arbitration on true up if parties fail to agree. Arbitrator selected by agreement or if not then by AAA. *upon notice, arbitrator selected, briefs submitted within 20 days of filing must be 10 days thereafter.*

14. Domain numbers to be transferred to Ondova's designee USG AB 2832

15. Registration fees paid from VI accounts during transition period. as per #18 below

16. Dismissal of presp. of TX case, Calif case & USVI case once court order granted and transfer by Verisign is completed.

17. The intent of this agreement is to separate the business dealings of the parties

18. 90 day split - when portfolio split - Jeff, ^{or his designee/entit trust} points his half of portfolio to Hit Farms ^{or designee} ^{names} to name server of ^{names} choice, then revenue from hit farms, ^{or designee} goes to USVI to pay registration fees ^{designee} of ondeva ^{designee}, & then balance to Jeff, ^{or his designee/trustee/} ^{ondeva}

19. John ^{delete} gives Jeff Baron ^{ondeva} list of names in plaintiff JM suits & those won't be transferred in a split without approval of the plaintiff in that suit.

20. On or before 90 days 4 Points LLC, will be dissolved & unless control over it is assumed by Ondeva or its designee/trustee/co. Dissolution effected by USVI parties by agreement of parties here today

21. USVI tie-up includes all billing for legal accounting up through end of April. Marshall gets 3% management fee after split is effectuated plus reimbursement of ordinary business expenses from Ondeva

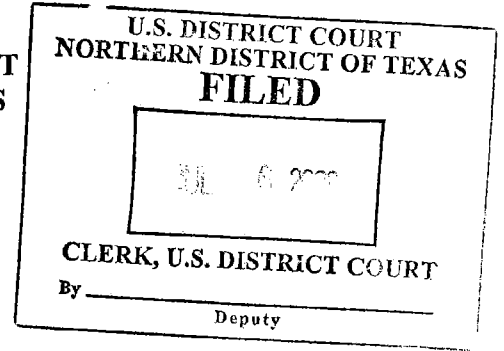
Vernon Hardy

July 2002

John Mueller [Signature]

EXHIBIT 4

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



NETSPHERE, INC., et al.,

Plaintiffs,

vs.

JEFFREY BARON, et al.,

Defendants.

§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO.
3-09CV0988-F

AMENDMENT TO PRELIMINARY INJUNCTION

Having considered all arguments of counsel at a hearing on July 1, 2009, the Court hereby amends and supplements its Preliminary Injunction issued in the above-entitled matter on June 26, 2009 as follows:

Paragraph (2) is amended to delete the date "July 9, 2009" in both places it appears in the first sentence and insert in its place the date "July 15, 2009."

Paragraph (4) is amended to delete the date "July 2, 2009" in the second sentence and insert in its place the date "July 3, 2009" and to delete the date "July 3, 2009" in the third sentence and insert in its place the date "July 6, 2009."

Paragraph (5)(a) is amended to delete the date "July 1, 2009" and insert in its place the date "July 7, 2009."

Paragraph (5)(b) is amended to delete the date "July 2, 2009" and insert in its place the date "July 8, 2009."

Paragraph (5)(c) is amended to delete the date "July 2, 2009" and insert in its place the date "July 8, 2009."

Paragraph (5)(d) is amended to delete the date "July 2, 2009" and insert in its place the date "July 8, 2009."

Paragraph (5)(e) is amended to delete the date "July 1, 2009" and insert in its place the date "July 10, 2009" and to delete the date "July 7, 2009" and insert in its place the date "July 15, 2009."

Paragraph (6) is amended to delete the date "July 2, 2009" in the third sentence and insert in its place the date "July 6, 2009" and to delete the phrase "50% to the Defendants' designees" in the third sentence and insert in its place the phrase "50% to the trust account of Friedman & Feiger on behalf of Defendants." Paragraph (6) is further amended to delete the date "July 8, 2009" in the fourth sentence and insert in its place the date "July 13, 2009." The following sentences are to be added immediately following the third sentence in Paragraph (6): This Court finds that certain funds have been interpled into the underlying state court action. Accordingly, this Court orders that the attorneys' fees of the Intervenor are to be paid from those funds and the balance of those funds shall be distributed 50% to the Netsphere Parties and 50% to the trust account of Friedman & Feiger on behalf of Defendants. This Court shall later determine against which party the Intervenor's attorneys' fees are to be taxed as costs. The funds deposited into the trust account of Friedman & Feiger pursuant to this Order are to be held until further order of this Court, except that Defendants' counsel may apply the funds on deposit to their outstanding invoices for legal services to Defendants. This Court desires that Friedman & Feiger stay in this case as Defendants' counsel considering the numerous times that Defendants have replaced their lawyers over the course of this case and in the underlying cases. This Court is concerned that a change in counsel might be for the purpose of delay and in an attempt to impede the judicial process. The Court finds that Friedman & Feiger's continued representation is necessary to

continue to work towards performance of the Preliminary Injunction and to avoid possible contempt findings. In the event that Defendants elect to terminate Friedman & Feiger, the funds required to be deposited by this order into Friedman & Feiger's trust account are non-refundable. Upon final resolution of this case, Defendants may apply to this Court for an order directing that the balance of any funds deposited into the trust account of Friedman & Feiger pursuant to this Order be returned to Defendants.

The following new Paragraphs (10)-(14) are added immediately following the existing Paragraph (9):

(10) Plaintiffs shall produce the documents that Plaintiffs' counsel agreed to produce in connection with the depositions of Plaintiffs for the preliminary injunction hearing. Plaintiffs shall produce all documents required by this paragraph by Friday July 3, 2009 at 5 p.m. CST at the office of Defendants' counsel.

(11) Defendants shall provide the on-line logins/access codes/passwords for all monetization accounts for any domain names registered at Ondova at any time, specifically including but not limited to, the on-line logins/access codes/passwords for Hitfarm, Fabulous, enom, Oversee.net, Domain Development Corp., Parked.com, Namedrive.com, Domain Sponsor.com, Above.com, and Sedo or provide a detailed explanation to Plaintiffs' counsel as to why Defendants are unable to provide such information.

(12) Defendants shall produce all CSV text files (without limitation) containing the WHOIS information for all of the domain names registered at Ondova sent to Iron Mountain or any other third party data escrow service.

(13) Defendants shall produce any and all data, records, reports or recommendations that were reviewed or specifically used or relied upon by Defendants to determine which domain names would be deleted or allowed to expire after April 26, 2009.

(14) Defendants shall produce all documents required by paragraphs (11)-(13) of this Order by Monday July 6, 2009 at 5 p.m. CST at the office of Plaintiffs' counsel. Defendants shall produce all documents in electronic form, except documents that have only ever existed in tangible form.

(15) Defendants are prohibited from deleting, altering or modifying in any way the files on any of their computers or servers prior to those computers and servers being imaged as ordered below. Defendants at their sole cost shall engage a third party forensic document imaging service agreed upon by Plaintiffs to create an image of all Defendants' computers and servers, including any deleted files (which shall be recovered prior to imaging). Personal information of Jeffrey Barron (which is defined solely as personal photos, purely social communications and personal financial information), attorney-client privileged information, and proprietary source code shall be minimized by the agreed-upon third party forensic document imaging service company prior to production to Plaintiffs' counsel. A detailed privilege log concerning the minimized information shall be produced to Plaintiffs' counsel by Defendants by 5 p.m. on July 16, 2009. The detailed privilege log shall include the date of each document/file; the type of each document/file and length; the author and all recipients of each document/file; general subject matter of each document/file; privilege asserted for each document/file; and an explanation as to why the privilege is applicable to each document/file with enough specificity to allow Plaintiffs to determine whether to object to the privilege asserted. A copy of the imaging ordered herein shall be surrendered to Plaintiffs' counsel by 5 p.m. CST on July 6, 2009. All

“Defendants’ computers and servers” shall mean any computer, server or other data storage device used by Defendants or containing any of Defendants documents or files regardless of the legal ownership of the computer, server or other data storage device. The parties may agree by noon on July 3, 2009 upon the appointment of a Special Master (at Defendants’ sole cost) to receive production of proprietary source code, if any, owned by Defendants. By 5 p.m. CST on July 6, 2009, if a Special Master is retained, Defendants may submit only the proprietary source code to the Special Master. By 5 p.m. CST on July 6, 2009, Defendants shall submit a written statement to Plaintiffs’ counsel describing the nature and purpose of the proprietary source code in sufficient detail so as to permit Plaintiffs’ counsel to evaluate whether such source code is relevant or likely to lead to the discovery of relevant evidence. With respect to any source code submitted, the Special Master shall determine by 5 p.m. on July 10, 2009, whether such source code should be produced to Plaintiffs’ counsel under a highly confidential designation based upon whether such source code is relevant or likely to lead to the discovery of relevant evidence. The definition of source code is strictly limited to a collection of statements or declarations in computer programming language and does not include an executable file or any results from the execution of the collections of statements or declarations in computer programming language. The submission of source code to the Special Master shall not in any way delay the surrender of the image(s) of Defendants’ computers and servers to Plaintiffs’ counsel as ordered above.

(16) If Defendants fail to comply with any provision of the Preliminary Injunction as amended or any other Order of this Court during a business day, then for each provision violated, Defendants shall pay a fine in the amount of fifty thousand dollars (\$50,000 US) to be wired to the trust account of Plaintiffs’ counsel within 24 hours of said violation. A new fifty thousand dollar fine shall be paid for each business day Defendants remain in violation and for each

separate violation of the Preliminary Injunction as amended or any other Order of this Court. For clarity, a violation of two provisions for three business days would result in a total fine of \$300,000.00. The foregoing penalties shall not apply to any non-compliance with this Court's orders prior to July 1, 2009, which will be addressed by this Court after receipt of Plaintiffs' Motion for Contempt, and shall not apply to any failure to comply with Paragraph (5)(a) of the Preliminary Injunction as amended. Any funds transferred to Plaintiffs' counsel under this provision shall be held in trust until such time as the Court determines the appropriate sanction/contempt penalty for such violation(s).

(17) Defendants shall immediately order and pay for transcript of the July 1, 2009 hearing.

IT IS SO ORDERED.

DATED: July 6th, 2009



THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT JUDGE

EXHIBIT 5

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DEFENDANTS ARE IN CONTEMPT

Defendants have clearly and blatantly violated this Court's Orders, despite clear warnings and predetermined sanctions set forth by this Court for any such behavior. "A party failing to obey discovery orders ... is subject to a variety of sanctions, including the entry of default judgment." *Federal Maritime Com'n v. South Carolina State Ports Authority*, 535 U.S. 743, 758 (2002). Rule 37(b)(2) provides that if a party or a party's officer, director, or managing agent "fails to obey an order to provide or permit discovery . . . the court where the action is pending may issue further just orders. They may include the following: (i) directing that . . . designated facts be taken as established for purposes of the action. . . (ii) prohibiting the disobedient party from supporting or opposing designated claims or defenses, or from introducing designated matters in evidence; . . . (vi) rendering a default judgment against the disobedient party; and (vii) treating as contempt of court the failure to obey any order. . . ". Rule Civ. Proc. R. 37(b)(2). A movant in a civil contempt proceeding bears the burden of establishing by clear and convincing evidence 1) that a court order was in effect, 2) that the order required certain conduct by the [Defendants], and 3) that the [Defendants] failed to comply with the court's order." *Whitcraft v. Brown*, 2009 U.S. App. LEXIS 11740 (5th Cir. Tex. May 29, 2009); *citing, Martin v. Trinity Indus., Inc.*, 959 F.2d 45, 47 (5th Cir. 1992). As set forth below the Plaintiffs clearly meet their burden of establishing that the Defendants are in contempt of this Court's Orders.

ARGUMENT

A. Factual Background

Concerned about the potential deletion of valuable domain names and the possible spoliation of evidence, the Plaintiffs' sought a temporary restraining order ("TRO") from this Court. The Court issued a TRO on June 12, 2009 which included, at the request of the

Defendants, an order that the parties engage in expedited discovery on three days notice, including the depositions of the parties and the production of documents. *See* Docket No. 19. Despite the fact that it was the Defendants who sought the expedited discovery on three days notice, they failed to properly respond to Plaintiff's discovery requests, timely served under the provisions of the TRO. As this Court has already found, Plaintiff timely served Notices of Deposition Duces Tecum for Defendants Baron and Ondova on June 15, 2009, and "Defendant Baron failed and refused to provide all documents responsive to Plaintiffs' requests." Order on Expedited Discovery ("Order"), Docket No. 19 at page 1. The Order was entered as a result of this Court's finding of Defendants failure to comply and, as set forth in detail below, there are multiple violations of this Order by the Defendants.

In addition to the failure to comply with the Court's Order, Defendants have failed to comply with the Court's Preliminary Injunction. On June 26, 2009, this Court entered a Preliminary Injunction mandating performance of certain provisions of the settlement agreement between the parties (the "Memorandum of Understanding"). Docket No. 22. Defendants consented to that Preliminary Injunction. The parties obligations under the Preliminary Injunction included the division of the domain names registered by the Netsphere Parties (the "Netsphere Portfolio"); the transfer to the Netsphere Parties of their portion of the domain names; the distribution of certain monetization revenues; and, that Defendants engage a third party service to create an image of all Defendants' WHOIS-related documents as a result of the Defendants' prior failure to produce those documents in connection with the noticed depositions. As set forth below, Defendants failed to timely comply with provisions of the Preliminary Injunction.

Finally, Defendants have also failed to comply with the Amendment to the Preliminary Injunction. On July 6, 2009, this Court entered the Amendment to Preliminary Injunction ("Amendment") amending the Preliminary Injunction of June 26, 2009. Docket No. 30. The Amendment, among other things, moved the Netsphere Parties' deadline to identify the nameserver(s) from July 2, 2009 to July 3, 2009; and moved the deadline for Ondova to point the Netsphere Portfolio to said identified nameserver(s) from July 3, 2009 to July 6, 2009. Docket No. 30, at 1.

As detailed below, Defendant has failed to comply with certain provisions of the Order, the Preliminary Injunction, and the Amendment, despite clear and direct warnings from this Court against violating its authority. This blatant disregard for this Court's authority, and ignoring the mandatory orders and injunctions entered by this Court against the parties in this matter warrants severe sanctions.

B. Defendants Violations of the Order

The first numbered paragraph of the Order provides in pertinent part that the "Defendants shall produce all WHOIS records for every domain name registered with Ondova to Plaintiff's in electronic form..." Docket No. 19. The sixth numbered paragraph sets forth the time and date by which Defendants must comply with the first four numbered paragraphs—to wit, 4 p.m. Tuesday June 23, 2009. Id. Despite this clear direction, Defendants failed to comply. See MacPete Dec. at ¶ 4, Appendix p. 2 ("App."). Shockingly, what Defendants did eventually produce after the close of business on June 23rd was an altered file that had had critical information deleted from it prior to production. Id. at 5, App. p. 2. The file provided by the Defendants' containing the WHOIS database had the creation date field (column No. 5) deleted from it, thereby eliminating the creation date from every single record. Id., App. p. 2. There is no question that the creation

date is part of the WHOIS records maintained by Ondova as evidenced by a printout of the WHOIS information for any domain name registered at Ondova – the creation date is the first piece of information listed. See MacPete Dec. at 5, App. p. 2. The creation date, as previously stated to the Court, is a crucial piece of information needed to sort out which domain names registered at Ondova are subject to the Settlement Agreement. Defendants' alteration of a record prior to its production in discovery is beyond the bounds of permissible behavior in discovery and is an attack on our very system itself. Our civil discovery system is predicated on the idea that parties will act honorably to fulfill their obligations to produce documents as requested in unaltered form and regardless of whether those documents help or harm the parties' cause. Defendants have shattered that important trust. It is imperative to preserve the integrity of that system, that violations of such trust be dealt with swiftly and with overwhelming force. The need for a severe penalty to establish appropriate boundaries of behavior is particularly critical here as a result of: (i) Defendants' history of inappropriate self help; (ii) Defendants' continuing non-compliance with other orders as set forth below; and (iii) the particularly callous disregard Defendants have shown for the rules and this Court given that Defendant altered the WHOIS records after Judge Lynn specifically and clearly ordered that the Defendant was "prohibited from altering or modifying in any way the 'WHOIS' information" and stated that she would "deal with [any violation of the TRO] as severely as the law would allow." TRO at ¶ (4) and Transcript of TRO hearing at 41:14-16 (emphasis added). Any possible question concerning whether Defendants willfully violated the TRO and the Order by altering the WHOIS database that was produced to Plaintiffs was eliminated as a result of the production of the image of the WHOIS-related documents created by the third party company pursuant to the Preliminary Injunction. That image contained the altered database with 47 fields (missing the creation date

field and the domain id field) and next to it, the unaltered database containing 49 fields, including the creation date field and the domain id field. Aggarwal Dec. at 2, App. p. 39.

The second numbered paragraph of the Order provides that the "Defendants shall produce all documents related to the monetization of all of the domain names registered at Ondova." Docket No. 19. These documents were also ordered to be produced by 4pm on June 23, 2009. Id. at ¶ (6). Again, Defendants failed to comply. Defendants have not produced necessary and basic documents such as email correspondence, checks or other payment records from the monetization companies, or even the contracts Defendants had with the monetization companies. See MacPete Dec. at ¶ 6, App. p. 2. Despite repeated oral requests from Plaintiffs' counsel, none of these documents have ever been produced.¹

The third numbered paragraph of the Order provides that "Defendants shall produce the list of all domain names registered at Ondova that they deleted or allowed to expire or transferred after April 26, 2009..." Docket No. 19. The deadline was 4pm on June 23rd, 2009. Id. at ¶ (6). Yet again, Defendants failed to comply. Defendants failed to produce a complete electronic list of the deleted, expired or transferred domain names by 4pm on June 23rd, 2009. This was certainly not the first time. Defendants also failed to provide a list of the deleted expired or transferred domain names under oath as ordered in the TRO (TRO p. 3), and at the hearing on June 19th—which was ultimately reduced to writing in the Order. Defendants finally produced an unsworn electronic list purporting to be of all the deleted domain names on the afternoon of June 24th. However, on June 25th, Defendants' counsel indicated that the list produced the day before was not a complete list and would need to be supplemented. See MacPete Dec. at ¶ 7,

¹ Well after the deadline in the Order, and pursuant to specific provisions in the Amendment to the Preliminary Injunction, Defendants have produced a database file containing financial information about the deleted domain names and some of the passwords for monetization accounts.

App. p. 2. Accordingly, the Preliminary Injunction provided that Defendants' counsel would supplement the list by noon on June 26th under oath. Footnote 2 of the Preliminary Injunction, specifically noted that the fact that the list was being supplemented did not cure the Defendants' failure to produce the list electronically and under oath as required in the TRO and the Order on Expedited Discovery. On June 26th, Defendants finally produced the electronic list of the deleted names under oath.

On June 23rd, Defendants also failed to produce the records or financial reports related to the deleted domain names as required by the Order Docket No. 19 at ¶ 3. Despite repeated requests from Plaintiffs' counsel, Defendants did not produce the financial records for the deleted domain names. *See MacPete Dec. at ¶ 8, App. p. 3.* Because the information was desperately needed by Plaintiffs to determine which deleted domain names should be undeleted (those with value), Plaintiffs asked this Court for help in the form of yet another order directing the production. At the hearing on July 1st, this Court again ordered that Defendants should produce all such records and required the production by July 3rd at 5 pm.² On July 3rd, although Defendants produced a password-protected Macintosh database file after 5:30 pm with the required information, Defendants 1) failed to identify the program needed to open the file and 2) failed to provide the password. As a result, Plaintiffs were unable to open the file on July 3rd and 4th, despite repeated efforts. On July 5th, Defendants' computer consultant finally was able to identify the correct program to open the file and later was able to secure the password for the file from Mr. Baron and produced it to Plaintiffs.

² At a subsequent telephone hearing, this Court modified the deadline for the production required by paragraph 13 of the Amendment to the Preliminary Injunction to July 6th from July 3rd.

The fourth numbered paragraph of the Order provides that "Defendants shall produce all documents responsive to Plaintiffs' request nos. 14-15 to Jeffrey Baron and Plaintiffs' request nos. 12-13 to Ondova Ltd." Docket No. 19. The requests referenced in the Order are as follows:

- 12/14 Produce any and all documents regarding communication between [you/Ondova] and any third party (excluding [] legal counsel) relating to the Memorandum of Understanding executed by you on April 26, 2009; and
- 13/15 Produce any and all documents regarding [your/Ondova's] performance or non-performance of the Memorandum of Understanding executed by you on April 26, 2009.

The categories of documents this Court ordered Defendants to produce necessarily would include the following:

- an email from Jerry Mason (Ondova's general counsel) to John MacPete discussing the Memorandum of Understanding (stating "This case is settled."); and
- an email from Jerry Mason to Frank Herrera providing "auth" codes for domain names to be transferred to third-party trademark owners as required by paragraph 7 of the Memorandum of Understanding.
App. p. 6-9.

However, Defendants did not, and have not produced these or any other emails or any other responsive documents, despite repeated requests from Plaintiffs' counsel. *See* MacPete Dec. at ¶ 9-10, App. p. 3.

Based upon Defendants multiple and continuing failure to produce the documents as required by the Order (and TRO), and other gamesmanship by the Defendants, this Court could render a default judgment against the Defendants. It is well-settled that entry of a default judgment is an appropriate sanction when the disobedient party has failed to comply with a court order because of willfulness, bad faith, or other fault on its part, as opposed to its inability to comply with the court's order. *Technical Chemical Co. v. IG-LO Products Corp.*, 812 F.2d 222, 224 (5th Cir. 1987), citing *Societe Internationale v. Rogers*, 357 U.S. 197, 212, 78 S.Ct. 1087,

1095, 2 L.Ed.2d 1255 (1958); *Batson v. Neal Spelce Associates, Inc.*, 765 F.2d 511, 514 (5th Cir. 1985). For the Court to award a default judgment as a discovery sanction, two criteria must be met: "First, the penalized party's discovery violation must be willful." *United States v. 49,000 Currency*, 330 F.3d 371, 376 (5th Cir. 2003). "Also, the drastic measure is only to be employed where a lesser sanction would not substantially achieve the desired deterrent effect." *Id.*

In the instant case, judgment by default would be warranted. As set forth above, the Defendants' repeated and continuous disobedience has been willful. Without any justification, the Defendants have failed to comply with Plaintiffs' written document requests, the TRO and the Order (among other Court Orders). In fact, the Defendants have attempted to perpetrate a fraud on the Plaintiffs and this Court by the alteration of discovery that it did produce (i.e. the WHOIS information). Courts in the Fifth Circuit have granted default judgments in less egregious circumstances. (See e.g. *Technical Chemical Co. v. Ig-Lo Products Corp.* 812 F. 2d 222 (5th Cir. 1987); where a default judgment was upheld against a party appearing *pro se* and who, without a plausible excuse, twice disobeyed explicit court orders to appear for his deposition; and *McLeod, Alezander, Powel & Apffel, P.C. v. Quarles*, 894 F.2d 1482 (5th Cir. 1990); where default judgment was upheld against defendant where he failed to respond to written discovery requests and then failed to comply with an Order from the magistrate ordering specific compliance).

Nevertheless, Plaintiffs are not asking for a default judgment at this time. Specifically, this Court has already ordered that a violation of any provision of any Order of this Court will result in penalties of \$50,000.00 per day until cured. Docket No. 30. Although the Defendants have breached numerous provisions of several of this Court's Orders, and demand has been made upon the Defendants for payment, no penalties have been paid by the Defendants

and they continue to be in violation of numerous Orders. *See MacPete Dec. at ¶ 11, App. p. 3.* Accordingly, Plaintiffs are requesting that this Court enforce its order for monetary penalties and to grant the following evidentiary sanctions:

- A. Prohibiting the Defendants from introducing any evidence opposing Plaintiffs' claims for damages (for Defendants failure to provide accurate accountings, all documents relating to the monetization of the Manila Portfolio as well as all valid access codes to the accounts at parking companies so that damages could be accurately calculated);
- B. Prohibiting the Defendants from introducing any evidence refuting Plaintiffs' definition of the "Manila Portfolio" (for Defendants violation of the Orders by altering the WHOIS information);
- C. Directing the fact that the Settlement Agreement is a full, final and binding agreement be taken as established for purposes of this action (for Defendants' failure to provide any documents relating to their performance or non-performance of the Settlement Agreement); and
- D. Deeming Jeffrey Baron as the alter ego of Ondova Company Limited. *See for example Compaq Computer Corp. v. Ergonome, Inc.*, 387 F.3d 403 (5th Cir. 2004)(deeming book's author to be alter ego of publisher as sanction for repeated discovery violations).

C. Defendants Violations of the Preliminary Injunction and Amendment

This Court entered a Preliminary Injunction in this matter on June 26, 2009. Docket No. 22. An Amendment to Preliminary Injunction ("Amendment") was filed on July 6, 2009. Docket No. 30. Defendants consented to the Preliminary Injunction. Unfortunately, despite concessions, extensions, and continued patience by both the Court and the Plaintiff, Defendants

have chosen to test this Court by failing to comply with their obligations yet again. And, this Court explicitly warned the Defendant, in person, that continued failure to abide by this Court's orders would result in a penalty of \$50,000 per day, and later reiterated this warning in the Amendment to Preliminary Injunction. Docket No. 30 at ¶ 15.

The Preliminary Injunction provides in part that: "[b]y 5 p.m. on July 2, 2009, the Netsphere Parties shall identify a set of nameserver(s) to which Ondova shall point the Netsphere Portfolio. By 5 p.m. on July 3, 2009, Defendants shall point the Netsphere Portfolio to the set of nameserver(s) identified by the Netsphere Parties." Docket No. 22 at ¶ 4. These dates were modified under the Amendment and were changed to July 3rd and July 6th respectively. Plaintiffs identified the nameserver(s) to which Ondova was required to point the Netsphere Portfolio on July 3, 2009 *See MacPete Dec. at ¶ 12*. Given this information, the Defendants failed to point the entire Netsphere Portfolio to the identified nameserver(s) by 5 p.m. on July 6, 2009, in violation of the Amendment. In an attempt to be as reasonable as possible, Plaintiffs (through their counsel) orally agreed that substantial compliance would be acceptable *if* Defendants fully and completely complied on the following day (July 7, 2009). *See MacPete Dec. at ¶ 14, App. p. 4*. Even then, the Defendants failed to fully and completely comply on the following day. *Id.* Approximately 4,840 domain names remained out of compliance, and did not point to the identified nameserver until one week later, after 4 p.m. CST on July 13, 2009. *See Aggarwal Dec. at 4, App. p. 40*.

The Amendment further provides in pertinent part that "Defendants shall provide the on-line logins/access codes/passwords for all monetization accounts for any domain names registered at Ondova at any time, specifically including but not limited to, the on-line login/access codes/passwords for [the monetization companies] or provide a detailed explanation

to why Defendants are unable to provide such information." Docket No. 30 ¶ 11. Pursuant to the Amendment these access codes are to be provided to the Netsphere Parties no later than July 6, 2009 at 5 p.m. Id. at ¶ 14.

Here again, the Defendants failed to comply. *See* MacPete Dec. at ¶ 15, App. p. 4. Specifically, the Plaintiffs have determined that the Defendants have failed to provide any on-line logins/access codes/passwords for at least the Sendori and Firstlook accounts. *See* Aggarwal Dec. at ¶ 5, App. p. 40. (attaching documents reflecting that: Sendori is a monetization company; that the domain name <Bob-interactive.com> is parked with Sendori; and that Ondova is the registrar for the domain name <Bob-interactive.com> and stating that access codes to at least one of the Firstlook accounts was not provided).

It should be also noted that invalid usernames and passwords for three other accounts were initially provided, but valid access codes to said accounts (i.e. Parked.com, Sedo, and DomainSponsor.com) were eventually provided on July 14, 2009. *See* Aggarwal Dec. at ¶ 6, App. p. 40. (attaching documents reflecting the results when Plaintiffs attempted to use the invalid usernames and passwords initially provided by the Defendants to access Parked.com, Sedo and DomainSponsor.com).

D. Conclusion and Calculations

This Court has specifically warned the Defendant, both verbally in person, and in various documents, that disregard for this Court's orders and authority will not be tolerated. For example, the Amendment to Preliminary Injunction provides that: if "Defendants fail to comply with any provision of the Preliminary Injunction as amended or any other Order of this Court during a business day, then for each provision violated, Defendants shall pay a fine in the amount of fifty thousand dollars (\$50,000 US) to be wired to the trust account of Plaintiffs' counsel

within 24 hours of said violation. A new fifty thousand dollar fine shall be paid for each business day Defendants remain in violation and for each separate violation of the Preliminary Injunction as amended or any other Order of this Court." Docket No. 30 at ¶ 16.

The Defendants violated the Amendment by failing to pay the fine in the amount of fifty thousand dollars (\$50,000 US), per provision violated, within 24 hours of said violations. Pursuant to the Amendment, the Defendants are required to pay:

- a. \$50,000 per business day for violating the fourth numbered paragraph of the Preliminary Injunction (pointing Netsphere Portfolio to the nameserver), commencing July 7, 2009 through July 13, 2009 (7 days x \$50,000 = 350,000.00).
- b. \$50,000 per business day for violating the eleventh numbered paragraph of the Amendment (access codes), commencing July 7, 2009 through July 21, 2009 (11 days x \$50,000 = 550,000.00).
- c. \$50,000.00 per business day for violating the sixteenth paragraph of the Amendment by failing to pay the fines above commencing July 7, 2009 through July 21, (11 days x \$50,000 = 550,000.00).

Therefore, as of close of business on July 21, 2009, the Defendants should have paid the sum of \$1,450,000.00 to the trust account of Plaintiffs' counsel. Fines continue to accrue at the daily (business days) rate of \$150,000.00 for the open violations. While the amount sought is significant, this Court specifically warned of contempt sanctions in the millions of dollars, and Defendant's counsel stated his belief that the domain name portfolio was worth tens of millions of dollars in profits annually. *See Transcript*, pp. 32 l. 1, App. p. 17; and pp. 108 l. 16, App. p. 36. **Nevertheless, Plaintiffs are not seeking imposition of the total amount of the fines**

required by the Amendment. Plaintiffs respectfully request that this Court award a contempt penalty in the amount of \$400,000, calculated as \$10,000 per day for the violation of paragraph 4 of the Preliminary Injunction and \$30,000 per day for the violation of paragraph 11 of the Amendment to the Preliminary Injunction and no additional penalty for the violation of paragraph 16 of the Amendment to the Preliminary Injunction.

The law is clear, this Court's Orders are clear, and Plaintiffs have met their burden for the relief requested. As a result, Defendants should be held in civil contempt for violating this Court's explicit Orders, should be required to immediately cure the violations; and should be required to pay the fines as set forth therein. Additionally, Defendants should be ordered to pay Plaintiffs' costs and attorneys' fees for having to bring this Motion. Plaintiffs believe that this is a fair, reasonable and conservative remedy, given that it is well within this Court's powers to include dispositive action as a sanction, or deem all contested facts admitted in Plaintiffs' favor. Plaintiff is not seeking such remedy yet, but simply a portion of the remedy already set forth by this Court.

WHEREFORE, based upon the foregoing, Plaintiffs respectfully pray that this Honorable Court issue an Order holding Defendants in contempt for failing to comply with this Court's Orders of June 26, 2009 and as amended on July 6, 2009, and require that the Defendants immediately cure each of the violations.

Plaintiffs further pray that this Honorable Court impose a \$400,000 (U.S.) fine for Defendants' violations and a per day fine of \$40,000 from the date of any order on this Motion until those violations are cured. Plaintiffs further pray that this Court sanction Defendants for their willful disregard of this Court's Orders and award Plaintiffs costs and attorneys' fees, and

such other relief as justice dictates and as permitted by statute, court rules and relevant case law for having to bring this Motion.

Dated: July 21, 2009

Respectfully submitted,

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ATTORNEYS FOR PLAINTIFFS
MANILA INDUSTRIES, INC., NETSPHERE,
INC. and MUNISH KRISHAN

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that he conferred with counsel for Defendants regarding the relief requested in this Motion. Counsel for the Defendants indicated that this Motion is OPPOSED.

John MacPete

CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record have been served with a copy of the foregoing via electronic mail on June 21, 2009.

/s/ John MacPete
John MacPete

EXHIBIT 6

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ATTORNEYS FOR MANILA INDUSTRIES, INC.
AND NETSPHERE, INC.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

**ONDOVA LIMITED COMPANY,

Debtor.**

§
§
§
§
§

**CASE NO. 09-34784-SGJ-11

CHAPTER 11**

**MOTION FOR RELIEF FROM AUTOMATIC STAY TO RESTORE AND TRANSFER
DOMAIN NAMES PURSUANT TO PRELIMINARY INJUNCTION ORDER**

NOTICE

THE TRUSTEE (IF ONE HAS BEEN APPOINTED) OR THE DEBTOR SHALL FILE A RESPONSE TO ANY MOTION FOR RELIEF FROM THE AUTOMATIC STAY WITHIN TWELVE (12) DAYS FROM THE SERVICE OF THE MOTION. THE DEBTOR'S RESPONSE SHALL INCLUDE A DETAILED AND COMPREHENSIVE STATEMENT AS TO HOW THE MOVANT CAN BE "ADEQUATELY PROTECTED" IF THE

STAY IS TO BE CONTINUED. IF THE DEBTOR DOES NOT FILE A RESPONSE AS REQUIRED, THE ALLEGATIONS IN THE CREDITOR'S MOTION FOR RELIEF FROM THE AUTOMATIC STAY SHALL BE DEEMED ADMITTED, UNLESS GOOD CAUSE IS SHOWN WHY THESE ALLEGATIONS SHOULD NOT BE DEEMED ADMITTED, AND AN ORDER GRANTING THE RELIEF SOUGHT MAY BE ENTERED BY DEFAULT. UNDER BANKRUPTCY RULE 9006(e) SERVICE BY MAIL IS NOW COMPLETE UPON MAILING; UNDER BANKRUPTCY RULE 9006(f), THREE (3) DAYS ARE ADDED TO THE PERIOD FOR FILING A RESPONSE WHEN NOTICE OF THE PERIOD IS SERVED BY MAIL.

TO THE HONORABLE STACEY G. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE:

Manila Industries, Inc. ("Manila") and Netsphere, Inc. (collectively the "Netsphere Parties") file this Motion for Relief from Stay to Restore and Transfer Domain Names Pursuant to Preliminary Injunction Order (the "Motion"). In support of the Motion, the Netsphere Parties would respectfully show as follows:

I.

BACKGROUND FACTS

1. The Affidavit of Manish Aggarwal, the Chief Technology Officer of Netsphere, is attached hereto as Exhibit 1 and incorporated herein. The Affidavit of John W. MacPete is attached hereto as Exhibit 2 and incorporated herein.

2. On July 27, 2009, Ondova Limited Company (the "Debtor") filed a voluntary petition under Chapter 11 of the Bankruptcy Code in this Court, commencing the above-styled bankruptcy case.

3. The Debtor is a licensed domain name registrar, who, in conjunction with VeriSign, Inc. ("VeriSign"), the operator of the .com and .net registries, maintains the registration of a significant number of domain names owned by third parties. Exhibit 1 at ¶ 2.

4. The Debtor is presently one of two defendants in *Netsphere v. Baron*, case number 3-09CV0988-F pending in the United States District Court for the Northern District of Texas. The other defendant is Jeff Baron, the President, sole member, and sole employee of Debtor. Exhibit 1 at ¶ 3. Debtor and Baron collectively are defined as “Defendants.” *Netsphere v. Baron* is an action to enforce a settlement agreement arising out of litigation (the “Underlying Litigation”) over the ownership of a portfolio of approximately 700,000 .com and .net domain names registered by Manila (the “Manila Portfolio”). Exhibit 1 at ¶ 4. The Underlying Litigation commenced as a result of Defendants engaging in inappropriate self-help by hijacking the Manila Portfolio and re-directing the traffic from the Netsphere Parties’ web sites to other web sites controlled by Defendants, thereby diverting significant monthly revenues from the Netsphere Parties to entities acting in concert with Defendants. *Id.* The key dispute in the Underlying Litigation was whether a proposed tax and asset protection structure in the United States Virgin Islands (the “USVI”), which would have created a joint business between Defendants and the Netsphere Parties, was ever finally agreed to and effectuated. *Id.* The Underlying Litigation involved cases in Texas state court, California federal court, and USVI federal court between Defendants, the Netsphere Parties, and the USVI entities that were to have been involved in the proposed USVI structure. *Id.*

5. The Underlying Litigation was settled by all three groups of parties after over a year of face-to-face negotiations without a mediator and four separate mediations. Exhibit 1 at ¶ 5. The settlement was memorialized in a written Settlement Agreement which states that it “is intended to be a full and final settlement agreement containing all material terms even though the parties may prepare a more formal settlement document, release language and dismissal papers.” *Id.* Jeff Baron acting for Defendants initialed the foregoing provision, as well as other provisions, stating “All parties acknowledge that . . . (3) they relied upon their own good judgment and independent

legal advice of their own counsel and not on the representations, if any, of the mediator; and (4) that no coercion, duress or undue influence was used by any party, attorney or the mediator to obtain their signature.” *Id.* The Settlement Agreement was signed by all three groups of parties on April 26, 2009 after a twenty-two hour mediation with mediator Hesha Abrams. *Id.*

6. Initially, Defendants performed their obligations under the Settlement Agreement, namely providing the “auth” codes for certain domain names under a trademark challenge to permit them to be transferred to the trademark owner as part of settlements. Exhibit 1 at ¶ 6. However, Defendants quickly developed buyer’s remorse and began to refuse to continue to perform the Settlement Agreement. *Id.* In part, Defendants’ buyer’s remorse stemmed from their unhappiness with the fact that they were required to cover the cost of domain name renewal charges until the Manila Portfolio was divided up in accordance with the Settlement Agreement.¹ Exhibit 2 at ¶ 2. Defendants thereafter filed three emergency temporary restraining order motions in the underlying Texas state court seeking orders directing that the renewal costs be paid with funds held by third parties. *Id.* at ¶3. Each time, Defendants’ motions were denied. *Id.* Defendants then elected to delete approximately 75,000 domain names that were subject to the Settlement Agreement. Exhibit 1 at ¶ 8. That additional act of inappropriate self-help resulted in the District Court granting a TRO against Defendants, prohibiting any modification of the WHOIS information (including record title) for all domain names registered at Debtor and prohibiting any further deletions without the domain names being first offered to be transferred to the Netsphere Parties. *Id.* The District Court further

¹ Had Defendants cooperated in the division of the Manila Portfolio pursuant to the Settlement Agreement, Defendants would only have been responsible for approximately one month of renewal fees. Defendants’ breach of the Settlement Agreement extended the time before the division beyond what was provided for in the agreement and thus increased the renewal costs for which Defendants were responsible. Exhibit 1 at ¶ 7.

indicated that it would take up the issue of restoring the already-deleted domain names at a hearing on a preliminary injunction and granted expedited discovery at Defendants' request. *Id.*

7. The District Court (Judge Furgeson) granted a Preliminary Injunction on June 26, 2009, which ordered compliance with many of the substantive provisions of the Settlement Agreement, including those relating to the split-up of the Manila Portfolio. Exhibit 1 at ¶ 9. The Preliminary Injunction specifically states that "To be clear, Defendants may not later attempt to change the result of the split under this Injunction for any reason." *Id.* Defendants consented to the Preliminary Injunction. *Id.*

8. Thereafter, Defendants failed to comply with the provisions of the District Court's TRO order concerning expedited discovery and a second Order on Expedited Discovery. Exhibit 1 at ¶ 10. The District Court held several hearings concerning Defendants' failure to obey the Court's orders.² *Id.* Defendants' sixth counsel³ then withdrew and was replaced by Friedman & Feiger (the seventh set of counsel), who are currently Defendants' lead counsel in *Netsphere v. Baron*. *Id.* As a result of one of those hearings, the District Court issued its Amendment to Preliminary Injunction (the "Amendment"). *Id.* The Amendment set forth a specific contempt fine of \$50,000 per day for each future failure by Defendants to comply with the District Court's orders. *Id.* As a result of Defendants' bad faith discovery conduct, the Amendment further ordered that all

² In fact, the District Court has, with few exceptions, been holding weekly hearings concerning the progress of compliance with the Preliminary Injunction and Amendment. Exhibit 2 at ¶ 7. The District Court has also appointed a Special Master to assist the Court with the numerous technical issues related to this case. *Id.*

³ Defendants have had seven sets of counsel in the Underlying Litigation (which remains open, but is currently stayed pursuant to an agreement between the Federal District Court and the Texas state court), including, in order: (1) Mateer & Schaffer; (2) Carrington Coleman Soleman & Blumenthal; (3) Bickel & Brewer; (4) The Beckham Group; (5) The Aldous Law Firm and the Rasansky Law Firm; (6) Fee Smith Sharp & Vitullo and (7) Friedman & Feiger. Exhibit 2 at ¶ 8. With the exception of the Beckham Group, all counsel are listed on Debtors' creditor matrix. *Id.* *Netsphere v. Baron* was filed at about the time that the fifth set of lawyers withdrew, thus the sixth and seventh counsel are the only counsel that have appeared for Defendants in *Netsphere v. Baron*. *Id.*

of Defendants' computers and servers be imaged by a third party forensic service after recovering deleted material. *Id.* The District Court also found Defendants' well-established proclivity to change counsel for the purpose of delay and/or to get a second bite at the apple (as noted by Judge Hoffman in the underlying Texas state case) created a concern for the District Court that a further "change in counsel might be for the purpose of delay and in an attempt to impede the judicial process." Exhibit 2 at ¶ 4. Accordingly, the District Court ordered in the Amendment that certain funds belonging to Defendants be paid to Friedman & Feiger and that such funds were non-refundable in the event that Defendants attempted to change counsel again. *Id.* At a subsequent telephonic hearing during which there was a discussion of additional counsel being hired by Defendants, Judge Furgeson orally ordered that no additional counsel were permitted to represent Defendants (including Debtor) without first filing for and receiving leave of Court. *Id.* As a result of actions later taken by the general counsel of Debtor without consultation with Friedman & Feiger and in violation of an agreement between Friedman & Feiger and counsel for the Netsphere Parties, the District Court orally ordered that the Debtor's general counsel was not to take any further actions relating to these matters without consultation and approval from Defendants' lead counsel Friedman & Feiger.⁴ *Id.*

9. Defendants also violated the TRO by producing the WHOIS database in a modified form which deleted two of the fields in the database, including the critical field containing the creation date of the domain names, which was needed to determine the ownership of the domain names at issue. Exhibit 1 at ¶ 11. The unaltered WHOIS database was ultimately produced as a result of an order in the District Court's Preliminary Injunction that required a third party computer

⁴ Debtor's bankruptcy counsel was employed by the same general counsel of the Debtor to file this proceeding and was retained without leave from the District Court in violation of its orders relating to counsel and without consultation or approval from the Debtor's lead counsel, Friedman & Feiger. Exhibit 2 at ¶ 9.

forensic service to image all WHOIS-related documents from Defendants' computers. *Id.* As a result of this and other violations of the District Court's TRO, Order on Expedited Discovery, Preliminary Injunction and the Amendment, the Court invited the Netsphere Parties to file a Motion for Contempt. *Id.* The Netsphere Parties filed a Motion for Contempt on July 21, 2009, which was scheduled to be heard Tuesday July 28, 2009 at 9:30. *Id.* The Suggestion of Bankruptcy and Notice of Stay related to this Chapter 11 proceeding was filed with the District Court in the late afternoon of Monday July 27, 2009, literally on the eve of the contempt hearing. Under the terms of the Amendment to the Preliminary Injunction, the Debtor could have been fined up to \$2 million by the District Court for its continuing violations of the District Court's orders. *Id.*

10. In the District Court's Preliminary Injunction, Defendants and VeriSign were given until July 7, 2009 to restore and transfer the deleted domain names selected by the Netsphere Parties to the registrar of the Netsphere Parties' choice. Exhibit 1 at ¶ 12. That deadline was later extended by the Amendment and another order specifically to Verisign to extend the "Redemption Grace Period" for the deleted domain names selected by the Netsphere Parties. *Id.* Verisign extended the Redemption Grace Period for the deleted names selected by the Netsphere Parties to August 9, 2009. Exhibit 2 at ¶ 5.

11. The deleted domain names must be restored by August 9th, or else they will be permanently deleted and released to the general public to be registered.⁵ Exhibit 1 at ¶ 13. Once a domain name has been released to the general public for registration, it cannot be recovered by the prior owner. *Id.* As such, time is of the essence because each domain name is a unique piece of

⁵ The Debtor has taken the position that Section 108 of the Bankruptcy Code automatically extends the Redemption Grace Period. The Netsphere Parties do not take a position regarding the applicability of Section 108 and file this Motion out of an abundance of caution.

intellectual property and the restoration of the deleted domain names is needed to avoid irreparable harm to the Netsphere Parties by loss of those domain names. *Id.*

12. The filing of the Debtor's Bankruptcy Case has already delayed the restoration of the deleted domain names because the Debtor and Verisign have refused to restore the deleted domain names due to the pendency of the Bankruptcy Case and the automatic stay. Exhibit 2 at ¶ 6.

13. If the deleted domain names are not restored and transferred in accordance with the District Court's Injunction Order before the expiration of the Redemption Grace Period, the domain names will be permanently deleted and released to the general public for registration, which will result in substantial and irreparable harm to the Netsphere Parties. Exhibit 1 at ¶ 14.

14. Thus, it is necessary for this Court to grant relief from the automatic stay to permit compliance with/enforcement of the District Court's Preliminary Injunction concerning the deleted domain names so that the deleted domain names can be restored and transferred to the registrar of the Netsphere Parties' choice in order to avoid the permanent loss of the domain names.

II.

JURISDICTION

15. This Court has jurisdiction over this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding.

III.

ARGUMENTS AND AUTHORITY

16. The Netsphere Parties seek, and are entitled to, relief from the automatic stay pursuant to Sections 362(d)(1) and (d)(2) of the Bankruptcy Code.

A. Cause exists for the Court to grant relief from the automatic stay pursuant to Section 362(d)(1) of the Bankruptcy Code.

17. Cause exists for this Court to grant relief from the automatic stay pursuant to Section 362(d)(1) of the Bankruptcy Code. The scope of the automatic stay is not limitless, and parties may be afforded relief from the automatic stay for cause, “including the lack of adequate protection of an interest in property of such party in interest....”⁶ The Bankruptcy Code does not define “cause,” and courts generally determine whether cause exists on a case-by-case basis, allowing them to fashion remedies suitable to the particular circumstances of each case.⁷

18. Cause under Section 362(d)(1) is not limited to a lack of adequate protection, and courts consider a multitude of factors, including harm to the creditor, whether any great prejudice to either the bankruptcy estate or the debtor will result from lifting the stay, and whether the hardship to the non-bankrupt party by continuing the stay considerably outweighs the hardship to the debtor.⁸ A lack of good faith also constitutes cause both for dismissal of a bankruptcy case and relief from the automatic stay,⁹ and courts generally look to the totality of the circumstances when determining whether a debtor filed for bankruptcy in bad faith.¹⁰ Examples of bad faith can include, but are not limited to, instances where a bankruptcy case was initiated to stall a dispute that

⁶ See 11 U.S.C. § 362(d); *Value Recovery Group, Inc. v. Hourani*, 115 F. Supp. 2d 761, 767 (S.D. Tex. 2000); see also 3 COLLIER ON BANKRUPTCY ¶ 362.03[3] (15th ed. rev. 2005).

⁷ See *In re Reitnauer*, 152 F.3d 341, 344 n.4 (5th Cir. 1998); see also *MacDonald v. MacDonald (In re MacDonald)*, 755 F.2d 715, 717 (9th Cir. 1985) (explaining that relief from the stay is discretionary and must be determined on a case-by-case basis).

⁸ See, e.g., *Canal Place Ltd. P'ship v. AETNA Life Ins. Co. (In re Canal Place Ltd. P'ship)*, 921 F.2d 569, 579 (5th Cir. 1991); *In re Fowler*, 259 B.R. 856 (Bankr. E.D. Tex. 2001).

⁹ See *In re Am. Telecom Corp.*, 304 B.R. 867, 869 (Bankr. N.D. Ill. 2004); *Dmitri v. Garrett (In re Dmitri)*, No. 04-30145, 2004 WL 2434880 at *1 (5th Cir. Nov. 1, 2004).

¹⁰ *Little Creek Dev. Co. v. Commonwealth Mortgage Corp. (In re Little Creek Dev. Co.)*, 779 F.2d 1068, 1072 (5th Cir. 1986).

was nearing resolution in a pending action and where a debtor filed for bankruptcy relief solely to create the automatic stay.¹¹

19. Here, cause clearly exists to modify the automatic stay pursuant to Section 362(d)(1) of the Bankruptcy Code based upon the Debtor's lack of good faith and also based upon equitable considerations and the irreparable prejudice and harm that will be suffered by the Netsphere Parties absent the granting of the relief requested herein.

20. First, the timing of the Debtor's bankruptcy filing on the eve of a contempt hearing in *Netsphere v. Baron* was clearly an effort to delay the resolution of that action and is, by itself, indicative of the Debtor's bad faith.¹² Notwithstanding, cause also exists independently of any determination of the Debtor's bad faith on equitable grounds because the deleted domain names belong to the Netsphere Parties pursuant to the District Court's Preliminary Injunction and will otherwise be permanently deleted if they are not restored and transferred before the expiration of the Redemption Grace Period.

21. The Netsphere Parties will be severely prejudiced and will suffer significant and irreparable harm if this Court does not provide relief from the automatic stay to permit compliance with/enforcement of the District Court's Preliminary Injunction concerning the deleted domain names, so that the deleted domain names can be restored and transferred to the registrar of the Netsphere Parties' choice.

¹¹ *Gier v. Farmers State Bank (In re Gier)*, 986 F.2d 1326, 1328-29 (10th Cir. 1993) (concluding that factors in the totality of circumstances pointed to bad faith); *In re Love*, 957 F.2d 1350, 1354 (7th Cir. 1992) (finding factors relevant in determining if petition filed in good faith); *Canal Place Ltd. P'ship v. Aetna Life Ins. Co. (In re Canal Place Ltd. P'ship)*, 921 F.2d 569, 579 (5th Cir. 1991) (discussing in context of chapter 11 that an abuse of the bankruptcy process may be "cause" to lift stay).

¹² See *Sullivan v. Solimini (In re Sullivan)*, 326 B.R. 204, 213 (B.A.P. 1st Cir. 2005) (Chapter 13 case found to be bad faith filing because it was an attempt to defeat pending state court litigation); *In re RBGSC Inv. Corp.*, 253 B.R. 352, 368-69 (E.D. Pa. 2000) (debtor may be found to abuse judicial process by exploiting the protections of the automatic stay).

22. Accordingly, the Netsphere Parties respectfully request that the Court grant relief from the automatic stay for the limited purpose of permitting compliance with/enforcement of the District Court's Preliminary Injunction concerning the deleted domain names so that the deleted domain names can be restored and transferred to the registrar of the Netsphere Parties' choice.

B. Alternatively, the Court should grant relief from the automatic stay pursuant to Section 362(d)(2).

23. Alternatively, the Court should grant relief from the automatic stay pursuant to Section 361(d)(2) of the Bankruptcy Code. Pursuant to Section 361(d)(2), the Court "shall" provide relief from the automatic stay if: (i) the debtor does not have any equity in such property; and (ii) such property is not necessary to an effective reorganization.¹³ The phrase "not necessary to an effective reorganization" in Section 362(d)(2) imposes upon a debtor the burden to demonstrate a reasonable probability of successful reorganization within a reasonable time.¹⁴ This showing must be based on more than unsubstantiated hope and speculation about future performance, and absent such a showing, the Court must modify the automatic stay.¹⁵

24. Here, the District Court has already ordered that the deleted domain names must be transferred to the Netsphere Parties.¹⁶ Exhibit 1 at ¶ 15. As such, the deleted domain names belong to the Netsphere Parties, and the Debtor does not have legal title to those domain names.¹⁷ *Id.* In

¹³ 11 U.S.C. § 362(d)(2).

¹⁴ *See, e.g., United Savings v. Timbers of Inwood Forest*, 484 U.S. 365, 375-6 (1988); *In re Sutton*, 904 F. 2d 327, 330 (5th Cir. 1990).

¹⁵ *See In re Canal Place, Ltd.*, 921 F.2d at 577-79.

¹⁶ Preliminary Injunction at paragraph 5(e).

¹⁷ Moreover, Defendants told the District Court that Debtor was not the owner of the domain names (prior to their deletion) but was simply the registrar for the domain names and contended that the owners were Jeff Baron and the Netsphere Parties.

fact, Ondova's counsel James Bell told the District Court in a hearing on June 19, 2009¹⁸ that Debtor was not the owner of the domain names (prior to their deletion) but was simply the registrar for the domain names and contended that the owners were Jeff Baron and Munish Krishan, President of the Netsphere Parties. Exhibit 1 at ¶ 16. The Debtor therefore cannot have any equity in those domain names, nor can they be necessary for a successful reorganization. Exhibit 1 at ¶ 15.

IV.

REQUEST FOR RELIEF

BASED UPON THE FOREGOING, the Netsphere Parties respectfully request that this Court enter an order: (i) lifting the automatic stay for the limited purpose of permitting compliance with/enforcement of the District Court's Preliminary Injunction concerning the deleted domain names so that the deleted domain names can be restored and transferred to the registrar of the Netsphere Parties' choice; and (ii) granting the Netsphere Parties such other and further relief to which they are justly entitled.

DATED: August 3, 2009.

¹⁸ The transcript of that hearing is Exhibit F to the Affidavit of Manish Aggarwal and the page and line reference is 33:10-20.

Respectfully submitted,

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ATTORNEYS FOR MANILA INDUSTRIES, INC.
AND NETSPHERE, INC.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

ONDOVA LIMITED COMPANY,

Debtor.

§
§
§
§
§

CASE NO. 09-34784-SGJ-11

CHAPTER 11

AFFIDAVIT OF MANISH AGGARWAL IN SUPPORT OF EMERGENCY MOTION FOR RELIEF
FROM AUTOMATIC STAY TO RESTORE AND TRANSFER DOMAIN NAMES PURSUANT TO
PRELIMINARY INJUNCTION ORDER

I, Manish Aggarwal, am over 21 years of age. I have never been convicted of a felony or crime involving moral turpitude, and am otherwise competent to make this Affidavit in Support of the Emergency Motion For Relief From Automatic Stay To Restore And Transfer Domain Names Pursuant to Preliminary Injunction Order. I have personal knowledge of the facts set forth herein, and such facts are true and correct.

AFFIDAVIT OF MANISH AGGARWAL IN SUPPORT OF EMERGENCY MOTION FOR RELIEF FROM AUTOMATIC STAY
TO RESTORE AND TRANSFER DOMAIN NAMES PAGE 1 OF 7

1. I am the Chief Technology Officer of Netsphere, Inc. ("Netsphere") and one of the individuals primarily responsible for the business transactions of Manila Industries, Inc. ("Manila"). Netsphere and Manila are collectively referred to herein as "the Netsphere Parties." I am also involved in the day-to-day operations of the Netsphere Parties and am authorized by the Netsphere Parties to make this Affidavit on their behalf.

2. Ondova Limited Company (the "Debtor") is a licensed domain name registrar, who in conjunction with VeriSign, Inc. ("VeriSign") the operator of the .com and .net registries, maintains the registration of a significant number of domain names owned by third parties.

3. The Debtor is presently one of two defendants in *Netsphere v. Baron*, 3-09CV0988-F in the United States District Court for the Northern District of Texas. The other defendant is Jeff Baron, the President, sole member and sole employee of Debtor. Attached hereto as Exhibit A is a true and correct copy of the Complaint in *Netsphere v. Baron*.

4. *Netsphere v. Baron* is an action to enforce a settlement agreement arising out of litigation (the "Underlying Litigation") over the ownership of a portfolio of approximately 700,000 .com and .net domain names registered by Manila (the "Manila Portfolio"). The Underlying Litigation commenced as a result of Defendants engaging in inappropriate self-help by hijacking the Manila Portfolio and re-directing the traffic from the Netsphere Parties web sites to other web sites controlled by Defendants, thereby diverting significant monthly revenues from the Netsphere Parties to entities acting in concert with Defendants. The key dispute in the Underlying Litigation was whether a proposed tax and asset protection structure in the USVI, which would have created a joint business between Defendants and the Netsphere Parties, was ever finally agreed to and effectuated. The Underlying Litigation involved cases in Texas state court, California federal court and USVI federal court between Defendants, the Netsphere Parties

and the USVI entities that were to have been involved in the proposed USVI structure.

5. The Underlying Litigation was settled by all three groups of parties after over a year of face-to-face negotiations without a mediator and four separate mediations. The settlement was memorialized in a written Settlement Agreement which states that it "is intended to be a full and final settlement agreement containing all material terms even though the parties may prepare a more formal settlement document, release language and dismissal papers." Jeff Baron acting for Defendants initialed the foregoing provision, as well as other provisions stating "All parties acknowledge that ... (3) they relied upon their own good judgment and independent legal advice of their own counsel and not on the representations, if any, of the mediator; and (4) that no coercion, duress or undue influence was used by any party, attorney or the mediator to obtain their signature." The Settlement Agreement was signed by all three groups of parties on April 26, 2009 after a 22 hour mediation with mediator Hesha Abrams.¹

6. Initially, Defendants performed their obligations under the Settlement Agreement, namely providing the "auth" codes for certain domain names under a trademark challenge to permit them to be transferred to the trademark owner as part of settlements. I am aware of this performance because I received copies of emails from Defendants' counsel providing the "auth" codes to the counsel handling the trademark litigation. Attached hereto as Exhibit B is a true and correct copy of examples of such emails. However, Defendants quickly began to refuse to continue to perform the Settlement Agreement.

7. Had Defendants cooperated in the division of the Manila Portfolio pursuant to the Settlement Agreement, Defendants would only have been responsible for approximately one month of renewal fees as the division should have been completed at the latest by the end of May

¹ I have not attached the Settlement Agreement to this Affidavit because the Settlement Agreement is confidential and contains proprietary and confidential business information of the parties. The agreement has been filed under seal with the District Court in *Netsphere v. Baron*.

2009. Defendants' breach of the Settlement Agreement extended the time before the division beyond what was provided for in the agreement and thus increased the renewal costs for which Defendants were responsible.

8. Defendants then elected to delete approximately 75,000 domain names that were subject to the Settlement Agreement on June 9-11, 2009. That additional act of inappropriate self-help resulted in the District Court granting a TRO against Defendants, prohibiting any modification of the WHOIS information (including record title) for all domain names registered at Debtor and prohibiting any further deletions without the domain names being first offered to be transferred to the Netsphere Parties. Attached hereto as Exhibit C is a true and correct copy of the TRO granted by the District Court. The District Court further indicated that it would take up the issue of restoring the already-deleted domain names at a hearing on a preliminary injunction and granted expedited discovery at Defendants' request.

9. The District Court granted a Preliminary Injunction on June 26, 2009, which ordered compliance with many of the substantive provisions of the Settlement Agreement, including those relating to the split-up of the Manila Portfolio. The Preliminary Injunction specifically states that "To be clear, Defendants may not later attempt to change the result of the split under this Injunction for any reason." Defendants consented to the Preliminary Injunction. Attached hereto as Exhibit D is a true and correct copy of the District Court's Preliminary Injunction.

10. Thereafter, Defendants failed to comply with the provisions of the District Court's TRO order concerning expedited discovery and a second Order on Expedited Discovery. Attached hereto as Exhibit E is a true and correct copy of the District Court's Order on Expedited Discovery. The District Court held several hearings concerning Defendants' failure to

obey the Court's orders. Attached hereto as Exhibit F is a true and correct copy of the transcript from a June 19, 2009 hearing before the District Court. Attached hereto as Exhibit G is a true and correct copy of the transcript from July 1, 2009 hearing before the District Court. Defendants' sixth counsel then withdrew and was replaced by Friedman & Feiger (the seventh set of counsel) who are currently Defendants' lead counsel in *Netsphere v. Baron*. As a result of one of those hearings, the District Court issued its Amendment to Preliminary Injunction (the "Amendment"). Attached hereto as Exhibit H is a true and correct copy of the District Court's Amendment to Preliminary Injunction. The Amendment set forth a specific contempt fine of \$50,000 per day for each future failure by Defendants to comply with the District Court's orders. As a result of Defendants' bad faith discovery conduct, the Amendment further ordered that all Defendants' computers and servers be imaged by a third party forensic service after recovering deleted material.

11. Defendants also violated the TRO by producing the WHOIS database in a modified form which deleted two of the fields in the database, including the critical field containing the creation date of the domain names, which was needed to determine the ownership of the domain names at issue. The unaltered WHOIS database was ultimately produced as a result of an order in the District Court's Preliminary Injunction that required a third party computer forensic service to image all WHOIS-related documents from Defendants' computers. As a result of this and other violations of the District Court's TRO, Order on Expedited Discovery, Preliminary Injunction and the Amendment, the Court invited the Netsphere Parties to file a Motion for Contempt. The Netsphere Parties filed a Motion for Contempt on July 21, 2009, which was scheduled to be heard Tuesday July 28, 2009 at 9:30. Attached hereto as Exhibit I is a true and correct copy of the Netsphere Parties Motion for Contempt. The

Suggestion of Bankruptcy and Notice of Stay related to this Chapter 11 proceeding was filed with the District Court in the late afternoon of Monday July 27, 2009, literally on the eve of the contempt hearing. Attached hereto as Exhibit J is a true and correct copy of the Suggestion of Bankruptcy. Under the terms of the Amendment to the Preliminary Injunction, Debtor could have been fined up to \$2 million by the District Court for its continuing violations of the District Court's orders. I submitted a Declaration in support of the Motion for Contempt.

12. In the District Court's Preliminary Injunction, Defendants and VeriSign were given until July 7, 2009 to restore and transfer the deleted domain names selected by the Netsphere Parties to the registrar of the Netsphere Parties' choice. That deadline was later extended by the Amendment and another order specifically to Verisign to extend the "Redemption Grace Period" for the deleted domain names selected by the Netsphere Parties. Attached hereto as Exhibit K is a true and correct copy of the District Court's Order Extending Redemption Grace Period. I understand that Verisign has told counsel for the parties that it extended the Redemption Grace Period until August 9, 2009.

13. The deleted domain names must be restored by August 9th, or else they will be permanently deleted and released to the general public to be registered. Once a domain name has been released to the general public for registration, it cannot be recovered by the prior owner. As such, time is of the essence because each domain name is a unique piece of intellectual property and the restoration of the deleted domain names is needed to avoid irreparable harm to the Netsphere Parties by loss of those domain names.

14. If the deleted domain names are not restored and transferred in accordance with the District Court's Injunction Order before the expiration of the Redemption Grace Period, the domain names will be permanently deleted and released to the general public for registration.

which will result in substantial and irreparable harm to the Netsphere Parties.

15. The District Court has already ordered that the deleted domain names must be transferred to the Netsphere Parties. As such, the deleted domain names belong to the Netsphere Parties, and the Debtor does not have legal title to those domain names. The Debtor therefore cannot have any equity in those domain names, nor can they be necessary for a successful reorganization of Debtor.

16. I was present in the Courtroom on June 19, 2009 when one of Defendants' sixth counsel, James Bell, told the District Court that Debtor was not the owner of the domain names (prior to their deletion) but was simply the registrar for the domain names and contended that the owners were Jeff Baron and Munish Krishan, President of the Netsphere Parties.

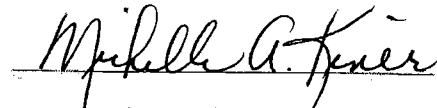
I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed at Newport Beach, California on August 3, 2009.


MANISH AGGARWAL

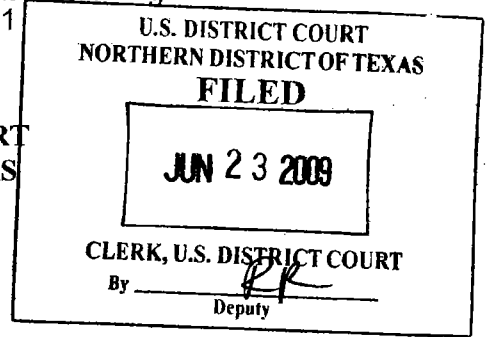
Subscribed and sworn to before me this 03 day of August, 2009.

My commission expires:

July 9, 2013


Notary public in and for the
State of Texas

ORIGINAL



F

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., et al.,

Plaintiffs,

vs.

JEFFREY BARON, et al.,

Defendants.

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CIVIL ACTION NO.
3-09CV0988-F

ORDER ON EXPEDITED DISCOVERY

Having considered all arguments of counsel at a hearing on June 19, 2009, regarding the expedited discovery ordered in connection with the preliminary injunction hearing scheduled for July 1, 2009, the Court hereby makes the following findings and orders.

The Court finds that Plaintiffs timely served a Notice of Deposition Duces Tecum for Defendants Jeffrey Baron and Ondova Ltd. on June 15, 2009 as provided for in this Court's June 12, 2009 TRO Order; that the deposition of Jeffrey Baron was scheduled to occur at 10 a.m. on June 18, 2009; and that Defendant Baron was directed to produce documents responsive to 14 limited categories of documents.

The Court further finds that Defendant Baron failed and refused to provide all documents responsive to Plaintiffs' requests at his deposition in accordance with this Court's June 12, 2009 TRO Order.

Accordingly, the Court ORDERS that:

- (1) Defendants shall produce all WHOIS records for every domain name registered with Ondova to Plaintiffs in electronic form, including the specific files identified in Plaintiffs' request nos. 6, 7, and 8 to Jeffrey Baron and Plaintiffs' request nos. 5, 6, and 7 to Ondova Ltd.;


- (2) Defendants shall produce all documents related to the monetization of all the domain names registered at Ondova, including the documents identified in Plaintiffs request nos. 9-10 and 12-13 to Jeffrey Baron and Plaintiffs' request nos. 8-11 to Ondova Ltd., and Defendants shall provide the on-line logins/access codes/ passwords for all monetization accounts for any domain names registered at Ondova to Plaintiffs and Defendants shall provide any additional assistance needed, if any, to permit Plaintiffs full access to the monetization accounts;
- (3) Defendants shall produce the list of all domain names registered at Ondova that they deleted or allowed to expire or transferred after April 26, 2009 and shall produce all records or financial reports related to those domain names and any records or reports that were specifically used or relied upon by Defendants to determine which domain names would be deleted, allowed to expire, or transferred;
- (4) Defendants shall produce all documents responsive to Plaintiffs' request nos. 14-15 to Jeffrey Baron and Plaintiffs' request nos. 12-13 to Ondova Ltd.;
- (5) Defendants shall notify Plaintiffs' counsel by 3 p.m. on Friday June 19, 2009, that Defendants are willing and able to produce all documents required by paragraphs 1-4 of this Order, or Defendants shall make available to Plaintiffs and their counsel all of their computers and records and anything else necessary in order to permit Plaintiffs to retrieve the documents required by paragraphs 1-4 of this Order;
- (6) Defendants to produce all documents required by paragraphs 1-4 of this Order to Plaintiffs by Tuesday June 23, 2009 at 4 p.m. at the office of Plaintiffs' counsel. Defendants shall produce all documents in electronic form, except documents that have only ever existed in tangible form;

- (7) Defendant Jeffrey Baron shall not be required to produce his personal financial records as requested by Plaintiffs and Plaintiff Munish Krishan shall not be required to produce his personal financial records;
- (8) Depositions on expedited discovery shall proceed according to the "West Texas Rule," with Plaintiffs taking Defendants' depositions first, followed by Defendants' taking Plaintiffs depositions;
- (9) Plaintiffs' shall submit the Google contract, along with any explanatory bench brief Plaintiffs' believe would assist the Court, to the Court for *in camera* inspection by Tuesday June 23, 2009 at 3 p.m.;
- (10) Plaintiffs' request for reimbursement of costs, attorneys' fees and court reporter/videographer fees due to the delay in the noticed deposition of Jeffrey Baron as a result of the failure to timely produce documents is not being ruled upon and will be held in abeyance until the preliminary injunction hearing;
- (11) Defendants shall file any motion (with supporting authority) concerning whether Plaintiffs' TRO Motion is required to be verified by Plaintiff Munish Krishan by Monday June 22, 2009;
- (12) Defendants' oral motion to strike their Motion to Dismiss from the docket is GRANTED, without prejudice to Defendants' re-filing the Motion by _____. Defendants' request to file the exhibits to such re-filed Motion under seal is hereby GRANTED.

- (13) The parties' joint motion to seal the entire case is DENIED, without prejudice to subsequent requests to seal more limited portions of this case to protect the confidential settlement agreement and sensitive business information of the parties.

IT IS SO ORDERED.

DATED: June 23rd, 2009



THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT JUDGE

1 THE COURT: Well, it's a problem to seal court
2 proceedings, and you know, to seal court filings. We are
3 open courts. In other words, you are telling me in this
4 whole case I have to close and lock the courtroom and I
5 have to seal everything that is said in this Court and I
6 have to seal everything that's filed in this Court. And
7 that's not going to work. So you are going to have to
8 figure out something else about that. Now, I don't mind
9 sealing the confidentiality order, and I don't mind
10 sealing certain discreet parts of the pleadings. But for
11 example, you know, to just seal everything is
12 unacceptable. So you are going to have to figure out a
13 way to do this that it does not put the entire case under
14 seal, including this courtroom under seal. It's not
15 acceptable. So I am going to leave it to the parties to
16 do that. But if you can't come up with something, the
17 only thing I am going to seal is the settlement agreement.
18 I will open up all pleadings and everything else.
19 You are going to have to figure that out, and
20 I'll work with you on it, and it's a balance. But just
21 seal everything about this case -- the pleadings, the
22 courtroom, the transcripts -- that's not going to work.
23 So I am going to tell the lawyers, either you figure it
24 out or the only thing I'm sealing is the settlement
25 agreement.

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1 that the settlement agreement was attached. So I
2 apologize -- I guess on their behalf -- and on defendant's
3 behalf that happened. It was a mistake, and we are at an
4 agreement that at a minimum the settlement agreement
5 attached should be sealed, and if the Court's agreed, the
6 entire motion.

7 THE COURT: Where is Mr. Vitullo?

8 MR. RAWLS: He's on vacation. Coming back
9 sometime today. I think he would be back in the wee hours
10 Saturday morning.

11 THE COURT: Is the motion to dismiss also -- I
12 guess -- The parties seem to believe that we're going to
13 lock the courtroom door and have this entire matter
14 decided in secret.

15 MR. RAWLS: That's clearly unacceptable to the
16 Court, and Mr. MacPete and I will confer as soon as we
17 finish today and figure out something more palatable and
18 acceptable to the Court. Both sides are equally concerned
19 about the sensitive nature of the information contained in
20 the settlement agreement, and to the extent this case is
21 about enforcing that agreement and so it's very difficult
22 to keep that information out of the pleadings and just
23 seal the MOU, that's our concern right now.

24 THE COURT: Let me ask you and I may have missed
25 this. Was the complaint, the temporary restraining order,

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1 MR. MACPETE: Okay, your Honor, we understand,
2 and we'll try to work on something that's more narrowly
3 tailored. At this point, your Honor, the most immediate
4 problem we have is that motion to dismiss that was filed
5 yesterday without a request --

6 THE COURT: Who find the motion, another party
7 to the case?

8 MR. MACPETE: No, it was other counsel for the
9 defendants. Maybe I ought to let Mr. Rawls speak to that
10 because my information is limited.

11 THE COURT: Mr. Rawls and Mr. Bell, do you not
12 represent all the Defendants here?

13 MR. RAWLS: Your Honor, the defendants' chief
14 counsel is Anthony Vitullo, who appears on the signing of
15 all the pleadings right now. I don't work for him, but I
16 did a lot of contract work for him. It's Mr. Bell's law
17 office. So I guess there is three sets of lawyers
18 representing Mr. Baron. Yesterday, Mr. Bell and I were at
19 Mr. MacPete's office from 8:30 a.m. to 10:30 p.m. trying
20 to work something out. During that time the motion to
21 dismiss was modified, finished off I guess and filed by
22 attorneys and Mr. Vitullo at Fee Smith. Just on my
23 Blackberry, I was unable to look it over very well at all,
24 and I was unaware that it was not being filed under seal,
25 and I was unaware at any point until Mr. MacPete told me

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1 the preliminary injunction -- Are they all under seal.

2 MR. RAWLS: I believe that's the case. There
3 was an agreed motion, and then Judge Lynn signed that
4 order, and so the TRO and the exhibits were I believe
5 filed under seal.

6 THE COURT: And the complaint itself?

7 MR. MACPETE: The complaint itself, your Honor,
8 is not filed under seal. We were extremely vague about
9 what the terms of the settlement agreement were
10 purposefully because it wasn't being filed under seal, and
11 it did not have the settlement agreement as an attachment.
12 So I wanted to make sure the record was clear.

13 THE COURT: The motion to dismiss, is it vague,
14 very specific or just the exhibits that are attached?

15 MR. MACPETE: To be honest with you, your Honor,
16 I haven't had time to read it yet. I was told by people
17 in my office that it had not been filed under seal and the
18 settlement agreement was an attachment, and I don't have
19 an assessment of how detailed it was about the terms. But
20 I'm obviously concerned that it is detailed.

21 THE COURT: Does anybody have a copy of the
22 motion to dismiss that is here?

23 MR. BELL: No, I don't, your Honor.

24 MR. RAWLS: We worked fourteen hours yesterday,
25 I should have brought a copy this morning. That was my

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1 mistake.
2 THE COURT: Well, you guys have worked very
3 hard. I'm proud of you, and I'm not here to reproach hard
4 working lawyers.

5 MR. BELL: Your Honor, if we confer with Mr.
6 MacPete, we could do a motion to strike the pleading or
7 seal it and file something similar on Monday if he is
8 agreeable. Figure out a way to rectify whatever damage
9 has been caused by an oversight on the part of the law
10 firms on our side. So we're willing to do whatever the
11 Honorable Court would ask us to do.

12 THE COURT: I think that's probably not a bad
13 idea. Why don't we do this. I'll just take a verbal
14 motion to strike the pleadings and to remove the pleadings
15 from the Court. And I think we'll check with the clerk's
16 office after this is over and see if we can get that done
17 and you can file something Monday or Tuesday. Is there
18 any deadline here?

19 MR. BELL: I think we have a deadline, your
20 Honor. It was yesterday.

21 THE COURT: To file a motion to dismiss?

22 MR. BELL: Yes, your Honor, the 20th day. But
23 we can get it filed through the Court, through the
24 district -- I don't know how it works in terms of the ECF
25 filing system. But possibly the better thing to do would

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1 be to bring it down to the courthouse. That way it's not
2 out on the internet, and it's part of you all's internal
3 system.

4 THE COURT: Why don't we stop a minute. Can you
5 get on EM/ECF here? Let us see if we can find it on
6 EM/ECF and see what it says.

7 MR. BELL: So your Honor is aware, it is out on
8 PACER right now, and there is -- And I think Mr. MacPete
9 could address some of the concerns, but it's out on PACER
10 right now, and I think he's unopposed to us getting it
11 struck and sealing it and refileing it without prejudice.

12 MR. MACPETE: I am. I will agree on the record
13 to their motion to strike that motion to dismiss, and I
14 will agree they can file another one and for it to be
15 under seal without prejudice.

16 THE COURT: Okay. Do me a favor. We'll have to
17 check with the Clerk's Office to see how this works.

18 THE COURT: While we're doing that, Mr. MacPete
19 had a third matter to take up.

20 MR. MACPETE: Yesterday at the end of the
21 evening, Mr. Rawls called me and said that his client had
22 raised an issue with respect to the order that had been
23 issued by Judge Lynn. Let me see if I can lay out what
24 they say their problem is. There is a uniform dispute
25 resolution procedure which can be utilized by a trademark

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1 holder when there is a dispute about whether a domain name
2 infringes their trademark. Uniform dispute resolution
3 procedure. And it's something provided for by ICANN which
4 is the US government body that oversees the internet. And
5 so a trademark holder can file a UDRP, and it's decided by
6 an experienced trademark lawyer whether the domain name
7 violates the trademark holder's rights and if the
8 arbitrator, if you will, determines that's the case, the
9 only result that comes out is an order to the registrar to
10 transfer the domain name from the domain holder to the
11 trademark company. So those orders will periodically come
12 out, and the registrar is required by ICANN rules to
13 essentially change the who-is information which is like
14 record title for the domain name, and that's maintained by
15 the registrar. So one of the orders Judge Lynn entered at
16 our request is the registrar be prohibited from altering
17 in any way the records he has about domain names on his
18 registrar, and that's because the vast majority --
19 probably 99.5 percent on the registrar are domain names
20 owned by my client or were owned by my client and at issue
21 in this case.

22 Mr. Rawls last night raised with me the
23 potential problem of what happens if a UDRP order comes to
24 the registrar which basically directs him to change the
25 recorded title from the domain holder whoever that may be

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1 to a trademark owner. That would technically be a
2 violation of Judge Lynn's order, and so we need some kind
3 of a modification or understanding of what we're supposed
4 to do. What I told him at the time what I believed Judge
5 Lynn would have told him if this issue was raised at the
6 TRO hearing is to talk to Mr. MacPete first and see if you
7 can work it out, and if not, we'll do something to modify
8 the order. What I told him last night is I understand the
9 process and that if they got such an order and he came to
10 me, I would be happy to agree that was an appropriate
11 change to the who-is information and not a violation of
12 the Court's order. So that's essentially the issue we
13 have. That's my proposal for how we would deal with it.
14 I will let Mr. Rawls tell the Court anything else he wants
15 about that.

16 THE COURT: Doesn't someone have to trigger this
17 process? It's not done automatically, is it?

18 MR. MACPETE: No, it has to be triggered by the
19 registrar after he has received an order as a result of
20 this process. It's a very verifiable thing. In other
21 words, the registrar gets the order, and Mr. Rawls could
22 show me the order. Here is the name on which the recorded
23 title needs to be changed. And I see it and that's fine.
24 And everybody would essentially agree that is an
25 appropriate change and not a violation of the Court's

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1 order on TRO.
2 THE COURT: There doesn't seem to be anything in
3 the motion to dismiss that is -- that you know would
4 violate a trade secret. Is everything filed in every
5 court in every jurisdiction under complete seal?

6 MR. BELL: No, your Honor.

7 MR. MACPETE: No. The underlying state court
8 cases have not been filed under seal. But that's also
9 probably because the history of that case -- and it kind
10 of ended up being the lead of the three cases that were
11 involved in the underlying lawsuit -- is because no
12 discovery was ever taken in that case. So that case is
13 about as virgin as this case is because essentially what
14 happened is the cases got filed, there was a lot of
15 procedural maneuvering about which case would go first and
16 that sort of thing, and at the end of that we ended up
17 with about four mediations and face-to-face negotiations
18 between the parties. And ultimately the last negotiations
19 resulted after twenty-three hours in the settlement
20 agreement that's at issue in this case. So there really
21 wasn't a need for there to be a sealing order because
22 nothing substantive was ever discussed in that court.

23 THE COURT: And why -- Apparently there have
24 been lawsuits filed -- I'm reading the motion to
25 dismiss -- all over the place. What's the purpose of so

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1 That's true. They go through a process and get
2 accredited, and he's allowed to serve as a registrar, and
3 the registrar, your Honor, if you will, is essentially a
4 middle person between the operator and .com and .net.
5 Maybe we will back up. And if I'll telling your Honor
6 things you already know --

7 THE COURT: You are not.

8 MR. MACPETE: The way the domain name works is
9 say you have JudgeFurgeson.com and you want to register
10 the name. Ultimately, you get the name from VeriSign.
11 You don't contract with them directly.

12 THE COURT: That's an acronym?

13 MR. MACPETE: V-e-r-i-S-i-g-n.

14 THE COURT: What is VeriSign?

15 MR. MACPETE: It's the registry operator of the
16 .com and .net registry.

17 THE COURT: For the whole world?

18 MR. MACPETE: Yes, sir. So if you want to buy
19 JudgeFurgeson.com you have to go to a registrar and
20 register the domain name, and it will cost you essentially
21 \$7.02 plus fee the registrar charges you as their fee.

22 THE COURT: And so VeriSign certifies people
23 like Mr. Baron?

24 MR. MACPETE: It's actually ICANN that does that
25 and that's the government agency that is the regulatory

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1 much litigation?

2 MR. MACPETE: I'll give you a little bit of
3 background on that, your Honor. Back in November of 2006,
4 my client, Manila Industries, Inc., had a portfolio of
5 domain names which had about 7,00 domain and .com names.

6 THE COURT: Your client owned all of those
7 names?

8 MR. MACPETE: Yes, sir. And Mr. Baron and
9 Ondova, the defendants in this case, were the registrar
10 for all of those names. And so of course, they are the
11 party that maintains the record title; that is, the who-is
12 information we have just been talking about. At some
13 point in 2005

14 THE COURT: Can the owner not be the registrar?

15 MR. MACPETE: The registrar is not supposed to
16 be the owner, by ICANN rules. And I'd say it's not an
17 absolute prohibition. The idea that I had was the
18 registrar himself was not supposed to warehouse names. So
19 it's probably not an absolute prohibition, and in fact,
20 Mr. Baron and Ondova had a small portfolio of their own
21 names, about two or three thousand names that he operated.

22 THE COURT: And Mr. Baron and Ondova have to go
23 through some process where they are certified as a
24 registrar?

25 MR. MACPETE: It's referred to as accredited.

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1 body for the internet.

2 THE COURT: Okay.

3 MR. MACPETE: And then he essentially interfaces
4 with the registry operators for the registries he
5 represents.

6 THE COURT: Okay.

7 MR. MACPETE: Let's say that John MacPete wants
8 to go to JudgeFurgeson.com. I will type in that name in
9 my browser window and a query will go out from my computer
10 to VeriSign because it's a .com name. And VeriSign has a
11 database which says, okay, JudgeFurgeson.com is registered
12 at Ondova, and Ondova servers are at this particular
13 location, and it will essentially forward the inquiry on,
14 and then it goes to Ondova's base, and you as the owner of
15 the domain name will have told him my web page is actually
16 hosted on this server.

17 THE COURT: That's a --

18 MR. MACPETE: Example of what the address would
19 look like. And that will route my inquiry on to a server
20 which is hosting your web page, and it comes up on the
21 screen. That's essentially how the domain names work. So
22 what happened is sometime in 2005, Mr. Baron approached my
23 client and said, Hey, you have a business that makes money
24 from advertising revenues by operating these hundreds of
25 thousands of domain names, and that makes a lot of money,

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1 an I have been told that there is an economic development
2 program in the U.S. Virgin Islands, and if you go down
3 there and site your business there and employ local
4 people, you can get a 90 percent tax credit on your
5 income. That might be a really good thing for you, and
6 maybe we could go in business together, go down to the
7 U.S. Virgin Islands and take advantage of this tax credit.
8 So they hired a joint lawyer and worked on trying to
9 negotiate a joint business. Ultimately they weren't
10 successful in reaching an agreement about who would
11 control that joint business because the two individuals
12 involved have very different views about how to handle the
13 trademark lawsuits which are an inevitable result of
14 having a large portfolio of domain names, and these domain
15 names were registered by my client with a computer program
16 that registers them automatically. So no human being was
17 involved in deciding which names to register and actually
18 registering them. They have a fairly sophisticated
19 trademark filter today to register domain names, but that
20 doesn't catch everything that may be a domain name.
21 That's a trademark problem.

22 Anyway, after the negotiations essentially fell
23 through and the joint order was withdrawn for conflict of
24 interest because the two parties couldn't agree, there was
25 then a dispute about whether they had done enough for the

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1 deal to go through. Mr. Baron took the position that the
2 deal had gone through, and my clients took the position
3 that it had not, and on November 13 of 2006, Mr. Baron
4 decided to engage in self-help.

5 THE COURT: There was no lawsuit filed to
6 resolve this dispute?

7 MR. MACPETE: No, there was no lawsuit filed at
8 that time. And what happened was as the registrar --
9 Remember, I told you that he has that database that has
10 the address for all the domain names would go that have
11 our web pages with our advertising, and then the
12 advertisers send us the money.

13 On November 13, 2006, Mr. Baron went to his
14 database which he physically has control over, and he
15 changed the addresses from where web traffic would go for
16 our domain names -- from the web pages owned by my
17 clients -- to web pages owned by someone else who then
18 paid representatives of Mr. Baron. So on the space of
19 twenty-four hours on November 13, 2006 he took down our
20 entire business and diverted all the revenues from that
21 business to these other on the theory he was somehow the
22 owner because this Virgin Islands deal had gone through
23 and he had the right to send that stuff down to the U.S.
24 Virgin Islands.

25 THE COURT: When you sign up with the registrar,

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1 there is a contract?

2 MR. MACPETE: There is, your Honor.

3 THE COURT: And so Mr. Baron doesn't file a
4 lawsuit of any kind, breach of contract or whatever?

5 MR. MACPETE: No, he did not. But while he was
6 engaged in the process of taking down all of our web
7 pages, he went to the Dallas state court and filed a
8 declaratory judgment lawsuit, and in that declaratory
9 judgment lawsuit, he initially alleged that he was just
10 the registrar and that he wasn't really sure who he was
11 supposed to take orders from because he had claims from
12 his representatives in the U.S. Virgin Islands that said
13 they were the owner of the domain names as a result of
14 this failed negotiated transaction, and he had my clients
15 on the other hand saying they were the owners and who he
16 was supposed to take direction from. So he originally
17 asked the state court for a declaratory judgment about who
18 was the owner. My clients figured out very quickly that
19 their domain names were being hijacked, and they hired me,
20 and I filed a lawsuit in California federal court --
21 that's where my clients are sited -- for the hijacking of
22 their domain names, and that's the Central District of
23 California. So after that, we went to the parties working
24 with Mr. Baron and filed their own declaratory lawsuit in
25 the U.S. Virgin Islands. So those are the original three

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1 cases, and all of those cases really revolved around who
2 owned the domain names that were originally registered by
3 my client. That portfolio referred to as the Manila
4 Portfolio. Then there were various proceedings, removals
5 to federal court here. Other parties were brought into
6 the state court lawsuit that had been monetizing the
7 domains after they were taken from my client. So it's a
8 very complex and factually complex litigation.

9 In the end we had a 23-hour mediation on April
10 26, and we did reach a mediated settlement agreement, and
11 that settlement agreement is essentially what this lawsuit
12 is about. And if you will give me a second, your Honor.
13 May I approach? We have a copy of the settlement
14 agreement for you.

15 THE COURT: Apparently I have it here.

16 THE COURT: Lots of interlineations, right.

17 MR. MACPETE: Yes. It's not the prettiest
18 document in the world as you might imagine, your Honor,
19 after twenty-three straight hours of mediation.

20 THE COURT: Okay. I do have a copy.

21 MR. MACPETE: Thank you, your Honor. Some key
22 points to this, your Honor, are really on Page 4. If you
23 look at the first writing after all the lines that have
24 been crossed out, it says "This settlement agreement is
25 intended to be a full and final settlement agreement."

20

1 THE COURT: Page 4?
2 MR. MACPETE: Yes, sir.
3 THE COURT: Okay. The Page 4 I see here is all
4 in handwriting.
5 MR. MACPETE: I'm sorry, your Honor. I think
6 that may be miscopied. I think the original basically has
7 the first page looks like this. The second page is typed
8 in and interlineated.
9 THE COURT: I have a second page that looks like
10 this.
11 MR. MACPETE: That's actually the fourth page,
12 your Honor.
13 THE COURT: That's the fourth page? I guess it
14 was misfiled. I'm reading on the fourth page.
15 MR. MACPETE: On the fourth page the first
16 typewritten portion of it is what I was reading from.
17 This settlement agreement is intended to be a full and
18 final settlement agreement containing all material terms,
19 even though the parties may -- which is permissive --
20 prepare a more formal settlement document, release
21 language and dismissal papers. So on April 26 the
22 underlying litigations were all settled. If your Honor
23 turns to page --
24 THE COURT: That was the case in the Virgin
25 Islands, the case in California and the state court case

21

1 for settling them or otherwise litigating them, as the
2 case may be.
3 So after the settlement agreement was entered
4 into, we began to perform that obligation, and there is a
5 trademark lawyer in Florida whose name is Mr. Herrera, and
6 he has been handling the third-party trademark litigation
7 prior to the settlement. So we left Mr. Herrera in the
8 case, but Mr. Herrera has been taking direction from me,
9 and we have actually settled a number of those trademark
10 cases that existed when the settlement agreement was
11 entered into.
12 About two weeks after the settlement agreement
13 was entered into, Mr. Baron apparently decided he didn't
14 like this deal anymore, and he started to refuse to
15 actually perform.
16 THE COURT: By refusing to perform, what does he
17 do?
18 MR. MACPETE: The first thing is April 29 --
19 Three days after this document was entered into, my client
20 escalated the split, and if you look at Paragraph 3, your
21 Honor, at the bottom of it there is a handwritten
22 interlineation that says "names subject to the lawsuit,"
23 singular, list created by Manila. And we were supposed to
24 come up with what the Manila was. It was our portfolio.
25 We registered it. We were to come up with the list and do

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1 here in Texas?
2 MR. MACPETE: That's correct, your Honor. If
3 you turn to Page 2 which is the typewritten and
4 handwritten page, the key provision here is in Paragraph
5 3. Paragraph 3 says "Within fourteen days, the Manila
6 Portfolio," which was the portfolio being fought about in
7 the underlying litigation, "will be split fifty-fifty
8 between the parties," the plaintiffs and the defendants in
9 this lawsuit, and that will be done by basically taking
10 the entire portfolio and alphanumericizing it and dividing
11 it into an even pile. So you get a complete random split
12 of the portfolio. And then there provides a coin flip
13 between the parties to determine which pile each party
14 gets.
15 After April 26 -- actually Before I say that,
16 your Honor, if you will turn to Paragraph 7. Paragraph 7
17 says Manila, my clients, defend existing trademark
18 litigation against the Manila Portfolio and indemnifies
19 Jeff -- that's Mr. Baron -- and Ondova from their
20 liability for those cases. At the settlement agreement
21 was entered into, there were about seven existing
22 trademark lawsuits that related to the Manila Portfolio
23 and under the settlement agreements my clients and myself
24 were directed to essentially take over the direction of
25 the defense of those cases and ultimately be responsible

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1 alphanumericizing and come up with the split, and we did
2 that on the 29th. Computer programmers from Manila are
3 here and alphanumericized the list, and it was split and
4 escalated to the parties upon April 29.
5 In addition on April 29, if your Honor will look
6 at Paragraph 9, it says "All parties will seek an agreed
7 order from the Court directing VeriSign to transfer
8 Manila's half of the portfolio to a registrar picked by
9 Manila within ten days." So the idea here basically was
10 you do the split, you flip the coin to figure out which
11 pile Manila gets, and then an agreed order is going to be
12 submitted to the state court to direct the registrar to
13 transfer our half of the domain names from Mr. Baron's
14 registrar to the registrar our choice.
15 When Mr. Baron started directing his lawyers not
16 to comply with the settlement agreement, they essentially
17 took the position that we're not going to accept the list
18 that you used to split the domain names. And the ironic
19 thing about that, your Honor, is that in negotiations with
20 Mr. Baron and Ondova last year, he provided a list which
21 he said was his best effort to have a complete list of the
22 Manila Portfolio from his perspective. When he turned it
23 over, he said it may not be entirely accurate, may have
24 some third-party customer names on it and/or one or two
25 names I own. But this is my best effort to come up with a

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1 list. And as you might imagine, your Honor, there is not
2 a great deal of trust between the respective clients. Mr.
3 Baron does not trust my clients at all, and my clients
4 don't trust him at all. So what we ultimately did is we
5 said rather than use our own list, which of course Mr.
6 Baron is going to conclude is somehow a trick and
7 inaccurate, we'll use his list because we naively believed
8 if we used his list that would be noncontroversial, and
9 the settlement agreement would be achieved in a timely
10 fashion. And what my clients ultimately want is to have
11 the split occur and the businesses separated and everybody
12 to be able to go on with their lives apart. So even
13 though they didn't agree Mr. Baron's list was entirely
14 accurate and has names belonging to my client which are
15 not included on it, they ultimately made the business
16 decision that it was better to use the list and not fight
17 about the names missing than to have a big argument about
18 adding to it or using their own list.

19 Surprisingly, he then instructed his lawyers to
20 not agree to his list. His lawyers took the position that
21 they had the right under Paragraph 3 to come up with the
22 list of Manila domain names and to perform the split. So
23 we waited the fourteen days in the settlement agreement to
24 see what we would actually get and we got nothing. And
25 then I think on the 16th day after the settlement

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1 agreement, he did propose a list. Not a split. Not the
2 alphanumericizing. But he sent over intense urging from
3 his counsel who finally sent over a list. And the problem
4 with his list at that point, your Honor, is that at the
5 time he turned over the list, there were 659,000 and
6 change domain names total that were registered on his
7 registrar. That would include the small number of
8 third-party customers he has, his individual domain names
9 which belong to him and our names. The list that he sent
10 over through his counsel sixteen days after the settlement
11 agreement was executed had 670,000 domain names on it. So
12 the instance we got the list and knew what the numbers
13 were, we knew it was inaccurate because it had more names
14 than he had on his registry. An analysis of his list
15 ultimately produced the conclusion that there were over
16 13,000 domain names on that list which are not registered
17 at his registry. In fact, most of those domain names are
18 not registered at any registry, meaning they are available
19 currently today for the public to pick them up.

20 The other significant thing about Mr. Baron's
21 new list was that it left off 9,928 domain names which had
22 been on the list that he produced in negotiations last
23 year. And all of those names were correctly spelled, and
24 they meant something. And of course, your Honor hasn't
25 seen any kind of a printout of this portfolio, but I

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1 represent to the Court if we had the stacks of papers that
2 would be required to look at all of these names, what your
3 Honor would see is the portfolio is arduously composed of
4 names that are misspelled or names and numbers that don't
5 mean anything and that sort of thing, and one out of every
6 25 is a correctly spelled name that might mean something,
7 and as you imagine, your Honor, correctly spelled names
8 that mean something are more valuable than a name like 123
9 XYZ. So that's 9,900 names clearly represented -- Bless
10 you, your Honor.

11 THE COURT: So that brought you to this Court.

12 MR. MACPETE: That brought us to this Court.

13 That was clearly a cherry-picked list of names which he
14 was trying to avoid being part of the split.

15 THE COURT: By the way, were all the lawsuits
16 dismissed?

17 MR. MACPETE: No, they weren't dismissed, and
18 the reason they weren't dismissed is because of that
19 VeriSign order. So the way the settlement agreement was
20 supposed to work is, first, you have the split, and then
21 you have the coin flip to determine which pile belongs to
22 which company, and then there was to be a submission to
23 the state court on the VeriSign order. So the state court
24 needed to essentially remain open so that the Court was
25 available to issue the order on VeriSign and have those

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1 domain names transferred.

2 THE COURT: Why wasn't this case just taken back
3 to the state court.

4 MR. MACPETE: It wasn't taken back to the state
5 court, your Honor, because these parties are divers. My
6 clients are in California, and Mr. Baron is located here
7 in Texas, and we felt more comfortable having this
8 contract enforced in federal court, and we had a right to
9 come in to this Court and ask for relief, and that's what
10 we did.

11 THE COURT: Had the state court judge done much
12 in this case?

13 MR. MACPETE: No. In fact, there hadn't been
14 any really substantive hearings prior to the entry of the
15 settlement agreement. There have been some scheduling
16 order hearings. No discovery had been exchanged. So the
17 state court really didn't have any sort of background that
18 was relevant anymore than this Court would.

19 THE COURT: So they weren't anymore advantaged
20 than this Court will be?

21 MR. MACPETE: That's correct.

22 THE COURT: Okay.

23 MR. MACPETE: And I direct you to what's
24 actually Page 3, which is the one with all the handwriting
25 on it. If you look at Paragraph 16, Paragraph 16 says

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1 "dismissal with prejudice of the Texas case, California
2 case and U.S. Virgin Islands case once the court order is
3 granted and transfer by VeriSign is complete." So you can
4 see, your Honor, it was contemplated those courts were
5 going to remain open, not because anything was going to be
6 done in the underlying litigation but for the purposes of
7 having those domains transferred, and then those cases
8 would be dismissed. What's happened is those cases
9 haven't been dismissed because the defendants have refused
10 to essentially perform the coin flip and otherwise move
11 forward with the predicate before a motion to dismiss
12 those cases with prejudice can be filed.

13 Where we are currently in the state court, in
14 the underlying proceeding there is an open state court
15 matter with no live causes of action. If your Honor will
16 look back on Page 1, Paragraph 8, it provides for
17 immediate complete releases of all parties with a specific
18 carve out for another piece of litigation which isn't
19 relevant to what we're talking about here today. So we
20 have a state court case with no live causes of action.

21 And the other things that were happening
22 essentially is the domain names come up for renewal every
23 day. These names were registered on different days over
24 the course of an entire year, the entire portfolio. So
25 every day you have domain names coming up. And the way

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1 that works is you have to pay the \$7.02 to ICANN to renew
2 the domain name. And that bill goes to the registrar. So
3 Ondova sends a the amount to VeriSign takes it out to pay
4 for the renewal. After the settlement agreement was
5 entered into, the defendants stopped performing the
6 settlement agreement because within fourteen days there
7 should have been a split and each side would have been
8 paying for the domain names which they ended up being the
9 owner. But prior to that, the registrar was basically
10 tasked with paying for those domain names, and that's
11 essentially in Paragraph 10, your Honor, if you look on
12 the first page.

13 THE COURT: Let me stop you a minute. It looks
14 like to me one of the problems we have is we need to
15 secure these domain names. Is that right?

16 MR. MACPETE: That's correct.

17 THE COURT: The parties disagree about what's
18 going on. Why can't I appoint a receiver to find a
19 registrar and require all the domain names to be given to
20 the receiver to be put with another registrar? What would
21 be a problem with that until we get this thing resolved?

22 MR. MACPETE: I think that would be a very
23 cumbersome procedure, your Honor.

24 THE COURT: Let me tell you. It may be a
25 cumbersome procedure, but this is crazy. This litigation

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1 is literally crazy. Mr. Baron is just apparently throwing
2 these domain names every which way. You guys don't want
3 him to, but you are at his mercy, so to speak, and yet you
4 don't want to secure these domain names because apparently
5 no order or agreement according to your story will stop
6 Mr. Baron. He's going to do what he wants to do
7 regardless of the agreements or orders. If that's the
8 case, you know, looks like to me as long as these domain
9 names are -- According to your story, as long as they are
10 in his possession it doesn't make a difference what a
11 court does or what an agreement says.

12 MR. MACPETE: I wouldn't want to represent to
13 the Court that it's my belief he is going to violate the
14 TRO Judge Lynn issued. I guess I believe in the system,
15 and I think he is going to obey that order, and as Judge
16 Lynn put it, if he doesn't, he would be prosecuted to the
17 fullest extent of the law.

18 THE COURT: Of course, this is my case now, and
19 of course, judges don't like their orders not followed,
20 and if they are not followed, it's contempt. You can fine
21 people a million dollars a day. You can put people in
22 jail, do all sorts of things. So I understand your view
23 is that Mr. Baron will secure these names and not do
24 anything with them until we get this matter resolved, but
25 I don't know if he has the wherewithal to withstand

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1 contempt orders in the millions of dollars. I don't know
2 what the value of these domain names are, but I imagine
3 they are incredibly valuable.

4 MR. MACPETE: They are around -- I guess I would
5 say under the pendency of the underlying litigation there
6 was a Rule 11 agreement entered into between Mr. Baron and
7 Ondova and the U.S. parties in the underlying litigation,
8 and as a result of that agreement he was paid 5.6 million
9 dollars during the course of the underlying litigation. I
10 don't know what he has done with that money, your Honor,
11 but I think in the end if I were so bold to violate this
12 court's order, I think there is some funds there somewhere
13 to pay that kind of a contempt order. But I don't think
14 we're going to go there, your Honor and I'm hopeful this
15 problem is going to get resolved at our preliminary
16 injunction hearing on July 1st because I think the main
17 problem that we have had is we haven't had the split
18 accomplished. So there has been a split after the
19 performance agreement stopped about who is supposed to be
20 paying for the domain names prior to the split under the
21 settlement agreement. We think that's a responsibility of
22 the registrar. Nothing in the settlement agreement
23 suggests anybody else is supposed to pay it, and if your
24 Honor will look at Paragraph 10, Paragraph 10 says "any
25 monetization money received by any of the parties for

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1 monetization of the Manila Portfolio before transfer of
2 Manila's half of the portfolio to Manilla will be split
3 fifty-fifty." That's gross. It doesn't provide for the
4 deduction of any expenses. And there are other
5 agreements, this Rule 11 I told you about, where things
6 will be split fifty-fifty. So they know how to draft an
7 agreement that says those expenses come off the top before
8 any money is split. And essentially, your Honor, that was
9 gross, and the registrar was going to be tasked with
10 paying the legals until the split was two-fold. Number
11 one, it provided incentive for him to get the split done
12 as fast as he could, and it was supposed to be done in
13 fourteen days, and he wouldn't pay very much renewal fees
14 within that time period.

15 The second reason, as I told your Honor, under
16 Paragraph 7 we took on the much greater financial burden
17 of handling the seven trademark litigations that are out
18 there, including a litigation from the University of Texas
19 in which there is a claim of statutory damages for
20 cyberspying of over four million dollars. So in the
21 relative weighing of what his responsibilities were going
22 to be before the split and our financial responsibilities,
23 we took on a lot more responsibility than he did. But
24 now, subsequent to the deal being entered into, he's
25 saying, no, no, I don't like that and you should pay for

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1 half of the expenses prior to the split, and he's been
2 holding us hostage because, as you figured out, he has his
3 figure on the nuclear button.

4 THE COURT: Well, my goal is to maintain the
5 status quo. In other words, to protect the domain names.
6 That's my first goal. Let me talk to Mr. Rawls or Mr.
7 Bell for a minute.

8 MR. BELL: May I approach, your Honor?

9 THE COURT: Sure. Is Mr. Baron going to protect
10 the domain names pending this litigation? That's my
11 question.

12 MR. BELL: Absolutely, your Honor.

13 THE COURT: There is an order in place that
14 needs to be more specific. I will just say those names
15 are to be maintained in a proper order with payments made
16 to do the proper renewals and so forth until this
17 litigation is complete or another kind of order is
18 entered. And that's the order. And you are telling me
19 that Mr. Baron is committed to maintain the domain names
20 in an appropriate way and protect them in an appropriate
21 way until some other order is entered by the Court. Is
22 that correct.

23 MR. BELL: Prior to answering that question, Mr.
24 MacPete had about thirty minutes to give you a little
25 bit --

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1 THE COURT: I understand. I'm trying to make
2 sure the status quo is maintained.

3 MR. BELL: I understand and if I can give you
4 some background that will be helpful.

5 THE COURT: It would be. And I'll give you a
6 chance to speak. All I'm saying is the status quo is
7 going to be maintained.

8 MR. BELL: With a qualifier.

9 THE COURT: What is that?

10 MR. BELL: You have to make the distinction
11 between Ondova, a registrar, and Jeff Baron who happens to
12 be the president but also beneficial owner through a bunch
13 of complicated trusts. So is Munish Krishan. And Mr.
14 MacPete represented to the Court that Mr. Baron had 5.6
15 million dollars. Munish got 4.3 I believe according to
16 representations made. But having said that, it's the
17 burden of the registrants, not the registrar, to pay for
18 renewal fees, and there is a provision in ICANN that says
19 you cannot as a registrar -- You cannot be paying for
20 registrant fees. If you were running for state judge, the
21 registrar can't pay your renewals. You need to pay, like
22 Go Daddy, Ondova, etcetera. So forcing Mr. Baron to pay,
23 -- Essentially what they are trying to do is make Mr.
24 Baron make a capital contribution to Ondova or some kind
25 of a bridge loan to float these renewal fees.

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1 THE COURT: How much are the renewal fees?

2 MR. BELL: \$7.00 per domain. So I would -- I
3 think counsel and I can agree -- It sounds like my client
4 is a big thief in the middle of the night when I have
5 about 107 pages right now I can show your Honor, including
6 some other stuff, that would unequivocally without a
7 doubt -- if we had an evidentiary hearing right here and
8 now would -- cut Mr. MacPete's argument in half, and if I
9 put his client on the stand you are going to hear the
10 entire truth, and he has a lot more to hide than Mr.

11 Baron. I can show you now. I'm waiting for the
12 deposition of Mr. Krishan. I just want to make sure, your
13 Honor, before we cast a bad light on my client -- And you
14 know, Mr. MacPete, I understand his argument, but there is
15 several things, very, very material things, that undercut
16 his argument, and I understand this Honorable Court's
17 concern -- pay, I need to protect the four corners of this
18 MOU which contains these domain names.

19 THE COURT: I just need to protect the property.

20 MR. BELL: I agree, your Honor.

21 THE COURT: And so we're going to have a hearing
22 on what day?

23 MR. BELL: I believe it's July 1st.

24 THE COURT: So between now and July 1st, I just
25 need to protect the property. How many and what

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1 dollars -- How much in dollars are we talking about
2 between now and July 1st to pay the renewal fees?
3 MR. BELL: I'm not sure of the exact amount.
4 But let me give you kind of a little background to that
5 question. That's a really good question, your Honor.
6 During the TRO hearing with Judge Lynn, part of this TRO
7 was Mr. Baron and Ondova are these bad guys and running
8 this enterprise, and they got the nuclear button and this
9 and that and he's the bleeding domain names. They rushed
10 into federal court. Meanwhile, there is a state court
11 proceeding they could file a motion to enforce and in fact
12 has been a motion to enforce. This MOU that you have in
13 front of you has been filed in state court, and there are
14 live pleadings in state court. There was the California
15 court, Virgin Islands twice. They appealed to a
16 California court and lost. Lost in California court.
17 This is like the fifth, sixth, seventh -- I don't know how
18 many times they have run in federal court. We have a
19 state case that's still live and pending that we can get
20 this thing resolved.
21 THE COURT: Does the state court judge have a
22 hearing before I do?
23 MR. BELL: I believe it's July 10th, your Honor.
24 And it's a motion to enforce. And the case has been
25 pending on the docket for two or three years because they

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1 have a bunch of these procedural backgrounds.
2 THE COURT: There a TRO or preliminary
3 injunction pending in state court?
4 MR. BELL: No, your Honor, but we agree to the
5 same order in state court. With respect to judicial
6 comity, I understand that they think they can bring it in
7 this Court. I think all of this can get resolved in the
8 state court, and we can agree to a restraining order in
9 the state court that's somewhat parallel to the order in
10 this Court.
11 Let me go back to my earlier point. During the
12 TRO when they rushed us -- When Mr. Baron, the thief in
13 the middle of the night, has his finger on the nuclear
14 button and deleting the domain names -- They ran into
15 Judge Lynn's court and said you got to stop domain names.
16 By the way, we gave them plenty of warning. We need money
17 to keep these registration names, and they didn't do it.
18 And Judge Lynn in a second -- I can give it to her. She
19 picked it up quick, and said, Hey, if Baron and Ondova are
20 deleting domain names that are part of this portfolio
21 before the split and coin flip, why don't you give them to
22 the plaintiffs?
23 And I said -- I don't have a problem with that,
24 your Honor. I don't have a problem with that. And then
25 they came back and said No, no, no, your Honor, a lot of

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1 them are tied to trademarks. He might give us a bunch of
2 trademark names and our philosophies are different --
3 THE COURT: Your proposal was -- the only reason
4 he was deleting the domain names was because he didn't
5 have money to register them?
6 MR. BELL: Let's back up. We have to make a
7 qualifier. Ondova is the registrar, a limited liability
8 company --
9 THE COURT: Okay. Regardless. Somebody didn't
10 have the money.
11 MR. BELL: Ondova cannot pay. It's in the red
12 and doesn't have the money to pay for these registration
13 fees.
14 THE COURT: Gee whiz, fellows, let's pay for
15 these things, keep these domain names -- Your suggestion
16 is instead of paying for them, Mr. Baron and Ondova just
17 transfer them over to Mr. MacPete's client?
18 MR. BELL: Pending the coin flip and performance
19 and the underlying state court action, in order to keep
20 Ondova afloat. They are already in the red with VeriSign
21 who's basically the God of .com and the .net registries.
22 And what he went in and did is, hey, try to figure out
23 what names are making a dollar because there is a business
24 between them, and I got plenty of evidence to show that
25 and e-mails, and you want to see it now or we can do it at

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1 the PI hearing --
2 THE COURT: I guess you guys -- I'm sorry. You
3 and Mr. MacPete are both telling me more than I want to
4 know. My question is how do we maintain the status quo.
5 You are saying Ondova doesn't have money. And so he's
6 going to keep releasing these names as they come up for
7 renewal.
8 MR. BELL: No, based on the past deletions there
9 is enough money in there to keep Judge Lynn's order in
10 place. And basically what Judge Lynn and -- And Mr.
11 MacPete can correct me if I'm wrong. But Judge Lynn said,
12 hey, two parts. One, if you don't want the domain names,
13 Mr. Baron or Ondova, you can't afford to pay for them,
14 give them to the defendant. The defendant didn't want
15 them. They didn't want that liability, and we would have
16 taken them out of the portfolio and given them the coin
17 flip. They would have gotten more. I was okay with it.
18 But did they want that? No. So what they decided to do
19 was -- Judge Lynn asked me how many do you anticipate
20 deleting in order to keep VeriSign from canceling the
21 contract with Ondova who is the registrar? And that puts
22 in question the whole portfolio. That's really the issue
23 before the Court. I said after those deletions there is
24 \$2,500 to \$7,500 that would possibly be deleted in between
25 now and the PI hearing, and I believe that's still the

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1 case today. And with respect to any domain names we
2 delete, we have to give the defendants a right of first
3 refusal, a 24 hour advance, right of first refusal on
4 whether or not they want to take those domains, but I
5 offered to give it to them anyway.
6 THE COURT: That's about \$52,000.
7 MR. BELL: Twenty-five --
8 THE COURT: \$7,500 maximum at \$7 a piece.
9 MR. BELL: Yes. So there is no irreparable --
10 That gets back to the whole irreparable harm thing.
11 THE COURT: But if you lose the domain names,
12 that's the harm.
13 MR. BELL: I agree, but we were willing to give
14 them to them.
15 THE COURT: I'm glad. For them that can't reach
16 any agreements, nobody wants to do what the other side
17 wants to do. They don't want to take the names. They
18 don't want to release the name. You don't want to keep
19 the names.
20 MR. BELL: We want to keep the names and work
21 with the client.
22 THE COURT: You are litigating in three
23 different courts.
24 MR. BELL: Four.
25 THE COURT: And you want to work together? I'm

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1 having a hard time.
2 MR. BELL: I think we need to be locked in a
3 room over the weekend and nail this out and get it done,
4 and these people need to go on their separate ways.
5 THE COURT: There is no question about that.
6 MR. BELL: Put us in the jail. I will sit in
7 jail over the weekend, your Honor.
8 THE COURT: First of all, my main goal right now
9 is to protect the property that's at issue, and if we've
10 got \$52,000 or something -- Say we've got \$50,000 that we
11 need to protect the property between now and July 1st.
12 Somebody is going to have to pay that money, and we'll
13 worry about what happens later.
14 MR. RAWLS: Your Honor, I think maybe I can give
15 the Court a short answer to answer the Court's question.
16 THE COURT: What is the answer?
17 MR. RAWLS: I don't know why the order that
18 Judge Lynn made would not satisfy everyone between now and
19 July the 1st. I think Mr. MacPete -- the ever maybe it
20 wasn't an order he would have drafted or me bullet it will
21 protect the property. The court asked how well protect
22 the property between now and July 1st.
23 THE COURT: How.
24 MR. RAWLS: I represented to Judge Lynn that
25 some of these names that were being deleted because there

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1 was no money to pay because it's registrants hadn't paid
2 Ondova. They were selected because they were worthless.
3 123 XYZ is not making money. There was a complaint when
4 that was deleted, and that led to the TRO. And Judge Lynn
5 said if they are not worth anything, give them to them.
6 And there was a problem and Judge Lynn fixed that and said
7 if you want to delete any names -- And our guess was 7,500
8 in that period. She said up to 7,500 names. During
9 business hours on a weekday if you were going to do that,
10 give them notice and then within 24 hours not to end on a
11 weekend or outside of business hours they have that much
12 time to basically step in and say we want those names, and
13 if that was going to happen, they would have to contact
14 the registrar of their choice which would contact Ondova
15 and arrange for the transfer and they would pay the
16 registration for the renewal fee. We're saying they are
17 not worth anything. They are costing us money.
18 THE COURT: Mr. MacPete, is that working?
19 MR. MACPETE: Yes, your Honor, and we're fine
20 with the order. Mr. Bell was re-arguing the order because
21 he doesn't like the notion that we're picking and
22 choosing, but there is a reason for that and that's
23 because there are names which are currently under these
24 UDRP processes or cease and desist letters or actual
25 litigation from a trademark owner, and there is a species

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1 of cyber squatting liability called --
2 THE COURT: Please, you guys know so much more
3 than I do. Judge Lynn put an order in place. It will
4 work. Both sides agree.
5 MR. BELL: Yes, your Honor, absolutely. I don't
6 think your Honor needs to modify that order, and I'm okay
7 with it, and I believe Mr. MacPete is as well.
8 THE COURT: You realize that order is an order
9 of the Court. So any failure to comply with that order is
10 contempt, punishable by lots of dollars, punishable by
11 possible jail, death.
12 MR. BELL: And death.
13 MR. RAWLS: The only part about that that I
14 would ask the Court is to give us a ruling on the earlier
15 issue that Mr. MacPete raised. There is this UDRP issue
16 where my client has no choice if he wants to keep his
17 accreditation with ICANN to change the registrant
18 information, who owns the names. And apparently there is
19 another process that doesn't involve UDRP where a third
20 party asserts a trademark claim to a name, and my client
21 in that situation also has no choice, and basically this
22 arises out of Judge Lynn's order on Friday that Mr.
23 MacPete's client is concerned that my client would get in
24 there to alter the date to alter the split. They were
25 concerned about alteration of data. Judge Lynn said

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1 nothing is going to be changed, no documents, nothing. At
2 that time that seemed reasonable, but I didn't understand
3 at that time this technical property. So we're asking
4 this Court to enter Judge Lynn's order regarding the 24
5 hour period of time that we have agreed is acceptable with
6 the caveat that would allow my client to keep his
7 accreditation where he hasn't changed a third party.

8 THE COURT: Is Mr. MacPete willing to defend
9 that, defend --

10 MR. RAWLS: Mr. MacPete only raised the UDRP
11 issue where there is an order issued by ICANN afterwards.

12 THE COURT: I understand he has a lawyer, Mr.
13 Herrera, if I remember the name, who's defending all
14 trademark issues. Shouldn't you just give those over to
15 Mr. MacPete to defend, if I'm understanding you correctly?

16 MR. BELL: Your Honor, I think I can provide a
17 little clarification. There are third parties other than
18 what Mr. Baron is a beneficiary and Mr. Krishan. There
19 are other people that say "You charge too much, too less,
20 We want our domain name." Maybe, like Judge Furgeson.
21 You say, "I don't want Ondova to be my register anymore.
22 GoDaddy.com is offering them for \$2.99. I want you to
23 transfer them." So somebody like your Honor would get on
24 and say "Ondova you are charging too much, We want these
25 domains transferred to Go Daddy." If we don't comply with

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1 you?

2 MR. MACPETE: I wouldn't, and I think if they
3 showed us a copy of the instruction from the customer to
4 me, there would be no issue. That's fine. Same thing
5 with the UDRP. I don't think the TRO needs to be
6 modified. I think counsel can work on this cooperatively
7 and show me the thing, and if there is an issue because
8 they show me something that I think there is a problem --
9 something untoward going on -- we can approach the Court.

10 THE COURT: But if you don't own it, it can't be
11 under the restraining order.

12 MR. MACPETE: The restraining order is with
13 respect to his entire registrar and the reason for that
14 is, your Honor, the vast majority of the names of the
15 registrar are ours, but there is a dispute between the
16 parties because Mr. Baron has been asserting he doesn't
17 agree to the list he produced last year. And remember,
18 your Honor, he is the one that maintains this who-is
19 database, which is the record title information for these
20 domain names. The reason I asked Judge Lynn for the order
21 she gave me is because if he changes a name which is
22 currently listed as Manila as the owner and he changes the
23 registrar information to be Tom Jones and he registers Tom
24 Jones at Email.com and sends an e-mail saying transfer
25 this to Go Daddy he can cheat and take names which should

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1 your order, we're subjecting ourselves to liability, and
2 oh, by the way, we're subject to losing this ICANN
3 accreditation and to the extent that we're putting Ondova
4 in a precarious position because there is a potential risk
5 that Ondova is going to lose its ICANN accreditation which
6 would result, by the way, in putting the domain names at
7 risk. So we need to act.

8 THE COURT: So you are talking about names that
9 are not owned?

10 THE COURT: Nothing seems simple in this case,
11 but couldn't somebody say this name is not on the list and
12 do what you need do?

13 MR. BELL: Absolutely. We will provide a copy,
14 and they can verify it and triple verify. Whatever. We
15 need to be able to act in due course, save our ICANN
16 accreditation and say what is consistent with the four
17 corners of that memorandum of understanding.

18 THE COURT: What's the problem with that, Mr.
19 MacPete?

20 MR. MACPETE: I'm not exactly sure what he's
21 proposing, your Honor.

22 THE COURT: Apparently he is saying you don't
23 own it. I come in and I own my domain name and he has
24 registered it, and I say I want to take this to a new
25 registrar. You wouldn't have a problem with that, would

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1 be split off the registrar.

2 THE COURT: But he is going to give you notice
3 and evidence of the request by the third-party owner.

4 MR. MACPETE: I'm fine with that, your Honor.

5 MR. BELL: I want some clarification. Is the
6 burden on them to run down to the courthouse and say no,
7 no, no? Or is the burden on me to come --

8 THE COURT: The burden is on them.

9 MR. BELL: Okay.

10 THE COURT: You give them the notice. I will be
11 here next week, and so I guess, you know, I may see you
12 twenty times next week.

13 MR. MACPETE: You probably won't see us at all.
14 I imagine most of this is not going to be controversial,
15 and the number is about 500 out of 650,000 names. I'm
16 happy to have this procedure, and I think we understand he
17 is going to give me evidence before they do anything, and
18 if I'm okay, I will tell them that. And if I have a
19 problem, I will see your Honor.

20 THE COURT: Come to me.

21 MR. BELL: There is a couple of things I didn't
22 agree with, but for the most part -- I would ask the Court
23 right now based on it sounds like a total quagmire -- We
24 have been in California court. Mr. MacPete is licensed in
25 California, and so am I. Don't hold that against us.

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1 THE COURT: I like California. Wish they had a
2 better system of governance, but I like California.

3 MR. BELL: We're in a little bit of a quagmire,
4 and I think the best thing to do would be to order us
5 right now -- It sounded like I was quasi-joking, but we
6 need to get into a room and get this knocked out, and
7 we're ready, willing and able to perform in contravention
8 of Mr. MacPete's representation, and I'm not saying he
9 misrepresented. We're ready willing and able to perform.
10 We want the case off the docket. There is a state court
11 motion pending. A motion to enforce in that court and I
12 don't believe, with all due respect to the Court, the
13 state court has jurisdiction on this.

14 THE COURT: They do and I have jurisdiction,
15 too. So I'll tell you what. I am going to stay in this
16 case through the preliminary injunction, and there is an
17 order entered. Nobody can violate it. Anybody violates
18 it, you are all paying big dollars. Not only corporately
19 but personally also. You want to challenge the court
20 order, I have the marshals behind me. I can come to your
21 house, pick you up, put you in jail. I can seize your
22 property, do anything I need to do to enforce my orders.
23 I'm telling you don't screw with me. You are a fool, a
24 fool, a fool, a fool to screw with a federal judge, and if
25 you don't understand that, I can make you understand it.

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1 and figure it out. I'm not going to order you to do
2 anything. You can do absolutely nothing until you show up
3 on the first. But on the 1st, the door is shut, and
4 everything ends, and I am going to enter orders that
5 nobody may like. It may not be good for anybody. I may
6 actually appoint a receiver and ask the receiver at the
7 expense of all the parties to find a new registrar. I'll
8 order Ondova and Mr. Baron to put every domain he's got in
9 with the new registrar. I'll have the new registrar
10 protect these names, and then we'll just wait for a trial
11 in five or six years and go from there. So you know,
12 there is things I can do. I'm sure the receiver won't
13 cost more than two or three hundred thousand dollars,
14 maybe half a million. But I know you have the money
15 because these things are valuable.

16 MR. BELL: I think that's the low end.

17 THE COURT: A million dollars. I'm sure there
18 is a good receiver out there that would love to have this.
19 So at any rate, you know -- You know, don't give us what
20 you think is your rightful interests. But I'm telling
21 you, the Court's are going to resolve this. You are not
22 going to resolve ex parte or at a whim. The courts are
23 going to resolve it, and if you don't like what the courts
24 do, we can pick you up on the street and put you in jail.
25 That's the way it works. So it's time to get serious here

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1 I have the force of the Navy, Army, Marines and Navy
2 behind me. There is a lot of playing games. Both sides
3 are probably completely complicit. But it's time to
4 resolve this. If you don't want to resolve it, I can put
5 you in jail. I can hold you six months, twelve months,
6 eighteen months, and I can do that, and if you want me to
7 do it, I will be glad to do it, but you need to be serious
8 about this. There is a problem here that I do not
9 understand. It's really beyond my comprehension, and I
10 actually am not a completely dumb person. So you need to
11 get this resolved.

12 MR. BELL: I have been on the case eight days.
13 So I'm not entirely complicit.

14 THE COURT: Everybody is to blame. When you get
15 up in the morning look in the mirror. Everybody is to
16 blame here. I'm going to hear you on the 1st, if I have
17 to, but in the meantime, there needs to be two adults, one
18 on each side, that figures this out.

19 MR. BELL: Do you think, your Honor -- I mean I
20 would make an oral motion before the honorable court maybe
21 to order a mediation and get this thing out and off your
22 docket.

23 THE COURT: There is no question that's what
24 needs to be done. Apparently, there is a lot of money to
25 be had here. Let's not be greedy. Let's get this done

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1 and time to understand that once the Court steps in,
2 that's it, and I've got this case, and I'm keeping it. So
3 you want to screw with me, have at it. But I can put you
4 in jail, and I will do it, and I can also take all of your
5 money away from you. I can look at all of your financial
6 statements. I can take every penny you've got if I think
7 you are doing stuff that's unlawful, illegal, fraudulent
8 and whatever. So let's don't test me here. And at the
9 same time if you think you are right, litigate it.
10 Litigate it to the cows come in, but don't screw with the
11 courts.

12 That's where we are, Mr. Bell. You don't have
13 to do anything this weekend. You can play all next week,
14 but on the 1st something is going to happen.

15 MR. BELL: If I may.

16 THE COURT: Sure.

17 MR. BELL: How much time do we have for the
18 preliminary injunction hearing?

19 THE COURT: A day.

20 MR. BELL: Right now, unless we can get this
21 thing resolved which is my intention, I think Mr. MacPete
22 would agree we can bang it out over the weekend. I have
23 just gotten on the case. My client is going to appear. I
24 would ask that you order the plaintiff, especially Mr.
25 Munish, to appear as well.

52

1 THE COURT: It would be a mistake not to appear.
2 People don't want to appear, that is fine. But I don't
3 hear their testimony, I don't hear their side of the
4 story, their chance of winning gets diminished greatly.

5 MR. BELL: I just want to make sure that Mr.
6 Krishan is going to be here, and I'm worried my subpoena
7 is going to be ineffective.

8 THE COURT: If you have a subpoena that you have
9 served for people to be here on the 1st, I'll send the
10 Army out.

11 You guys are spending lots of money that you
12 might be able to use in a more profitable way.

13 MR. BELL: I agree. I'm trying to bang
14 everybody over the head. I think Mr. MacPete is, too. We
15 want to bang this out. We really do. In good faith,
16 trying to work it out and get this case done without
17 judicial intervention.

18 THE COURT: Just remember this is not a
19 self-help problem. This is a court problem, a lawsuit
20 problem. So anybody decides they can go and help
21 themselves to some remedy, you have a problem, come to
22 court. No self-help. Somebody doing something because
23 there is a problem, I'm here. I'll be here all next week
24 if there is a problem. If somebody needs money to pay for
25 these things, whatever, whatever, let's work it out.

53

1 MR. BELL: I agree, your Honor.

2 THE COURT: You know for grown people -- I guess
3 this is what happens when money is at stake. People
4 completely lose their understanding of how things are to
5 operate, but you can't do that, and just so everybody
6 understands where we are, understands what my authority
7 is, my authority is to make sure we have the rule of law
8 in effect, and that means people just can't go start doing
9 things they want to do regardless of contracts or
10 agreements or court orders or whatever. That's for both
11 sides.

12 Okay, Mr. Bell, sounds like you are ready to do
13 something constructive.

14 MR. BELL: I'm going to do my best.

15 THE COURT: Now, I am going to enter an order or
16 you guys can prepare me a order placing -- not the
17 defendant's motion to dismiss. That will not be put under
18 seal. But all attachments to the motion to dismiss will
19 be put under seal.

20 MR. MACPETE: Thank you, your Honor.

21 MR. BELL: Your Honor, did you say the
22 defendants were responsible for that order?

23 THE COURT: Work it out. Get Mr. MacPete to
24 prepare it and approve it to you and send it to me. He
25 can e-mail it to Mr. Frye, and he'll copy it off, and I'll

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1 sign it.

2 THE COURT: Mr. MacPete.

3 MR. MACPETE: As I told you yesterday on the
4 phone, these lawyers are not the problem, and I appreciate
5 Mr. Bell's representations to the Court that he wants to
6 work with counsel and he wants to get something resolved
7 without the necessity of the Court intervening. With all
8 due respect to Mr. Bell, this is the seventh set of
9 attorneys in this case for Mr. Baron.

10 THE COURT: That's fine. But I'm the judge now,
11 and you are under my jurisdiction, and it's just a fool
12 that decides they are going to ignore a federal judge.
13 There are about 650 of us around the country, and you
14 can't hide.

15 So let's work this out. Make sure the property
16 is protected, and nobody has to resolve anything. I'll be
17 glad to do it.

18 MR. MACPETE: We appreciate that, your Honor.
19 With respect to the state court because I want the court
20 to have the full picture of sort of what's been going on
21 post-settlement, there have been three TRO proceedings
22 which were brought by Mr. Baron and Ondova in the
23 underlying state court case. All three of those TRO's
24 were denied. In fact, at the temporary injunction hearing
25 which was held about two Fridays ago, his Honor Judge

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1 Hoffman in the state court indicated that he thought the
2 TRO's being brought by Mr. Baron were inappropriate
3 procedures, and it was his view that probably the proper
4 thing to happen is for his case to be dismissed and
5 everybody to come here in the one court that had a
6 pleading seeking to enforce the settlement agreement and
7 get it done here. That was what Judge Hoffman said in the
8 state court. They are correct that the U.S. Virgin Island
9 parties have subsequently filed a motion to enforce the
10 settlement agreement in state court. With all due respect
11 to those parties, that is an in appropriate procedure
12 under Texas law. It's clear you cannot file a motion to
13 enforce and have the court decide that in some kind of a
14 summary fashion. You have to file a new lawsuit for
15 breach of the settlement agreement. They are the
16 plaintiffs in the state court, and Mr. Baron and Ondova
17 have not filed a new complaint, even asserting -- an
18 amended complaint even asserting a breach of the
19 settlement agreement or asking for a declaratory judgment
20 with respect to the settlement agreement or anything like
21 that.

22 THE COURT: Do I not have all the parties at
23 stake in this case?

24 MR. MACPETE: There are the U.S. Virgin Island
25 parties who are parties to the settlement agreement, and

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1 it's my understanding that they are currently
2 contemplating whether they are going to intervene in this
3 lawsuit.

4 THE COURT: Why didn't you bring them in
5 initially?

6 MR. MACPETE: To be honest with you, your Honor,
7 I didn't know how to do that. They haven't breached the
8 settlement agreement. They have been performing, and so I
9 didn't know how procedurally to get them in because we're
10 obviously the plaintiff because we're being aggrieved by
11 the breach that we allege the defendants have engaged in,
12 and they are not a defendant because they are not in
13 breach, and I don't represent them. So I didn't really
14 know what to do.

15 THE COURT: Well, you are in touch with their
16 lawyers, right?

17 MR. MACPETE: I am, and that's how I know that
18 they are currently contemplating intervening in this
19 particular matter to essentially protect their interests.

20 THE COURT: Well, they should be encouraged to
21 do so.

22 MR. MACPETE: I have. Because obviously they
23 have the same interest we do in having the settlement
24 agreement enforced, and I know their client would like for
25 the underlying litigation to be dismissed, and it hasn't

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1 THE COURT: That would be fine.

2 MR. BELL: With respect to the plaintiff's TRO,
3 I don't have an issue with it. The application or
4 anything. But under the Federal Rules, there are three
5 plaintiffs, and there is a verification that I think is in
6 Manila's file, and the plaintiff who brought the TRO is
7 Munish Krishan individually, and I don't have a
8 verification from him, and I'd like the Court to order him
9 -- The TRO is brought on his behalf -- order him to
10 verify his pleadings under oath in accordance with the
11 Federal Rules of Civil Procedure to the extent the Court
12 would accommodate my question.

13 THE COURT: Okay. Thank you.

14 MR. MACPETE: Your Honor, I don't think that's
15 necessary. We submitted sufficient evidence with our
16 motion, and obviously if that evidence is insufficient,
17 the court is going to rule against our motion on July 1st,
18 but I don't think Mr. Bell gets to dictate who my
19 witnesses are going to be or how I present my evidence.

20 THE COURT: He's talking about a verified
21 complaint?

22 MR. MACPETE: We don't have a verified
23 complaint. I'm not even sure what he's talking about in
24 terms of verification.

25 THE COURT: Cite me the federal rule that says

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1 happened yet because the state court under the settlement
2 agreement has to be able to sign that order against
3 VeriSign to transfer the domain names, but I know the U.S.
4 Virgin Island client is very interested in seeing that
5 litigation dismissed.

6 THE COURT: That's fine. Anything else from
7 you?

8 MR. MACPETE: Actually we have given you a lot
9 of background, and I know you are pressed for time. You
10 said you had an engagement at 9:30. But we haven't talked
11 about the discovery problems. Can we come back a little
12 later today?

13 THE COURT: No, let's go straight through.

14 MR. MACPETE: I appreciate that.

15 MR. BELL: I have a hearing in another court by
16 eleven.

17 THE COURT: I think I can knock out the
18 discovery problems very quickly.

19 MR. BELL: Your Honor, may I approach for one
20 housecleaning issue?

21 THE COURT: Why don't you and Mr. MacPete both
22 approach, and we can with talk about discovery.

23 MR. BELL: I have one housekeeping issue I
24 wanted to discuss before we get into the merits of the
25 issue.

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1 an application for TRO --

2 MR. BELL: I think --

3 THE COURT: I'm surprised we're having this
4 problem.

5 MR. BELL: I have it here. Number 7 in O'Connor
6 on I think it's Page 80.

7 THE COURT: "TRO must be accompanied by verified
8 affidavit or complaint." I take it Mr. MacPete, you say
9 that you have filed a declaration under penalty of
10 perjury?

11 MR. MACPETE: Yes. And what Mr. Bell's problem
12 is he wants to dictate who my witness is. If my witness
13 was Mr. Munish Krishan and he provided the affidavit and
14 complaint that shows -- What he wants to do is say Mr.
15 Krishan has to be the declarant, and there is no
16 requirement, and I think it's inappropriate for him to try
17 to dictate who my witnesses are.

18 THE COURT: It doesn't say that it must be by an
19 affidavit or verified complaint as to all parties.

20 MR. BELL: That's true. But there is different
21 parties. I think Munish is the corporate rep for Manila
22 and Netsphere. He can't possibly testify in a TRO
23 personal knowledge of what Munish Krishan is alleging and
24 Munish Krishan is one of the movant's in this TRO who has
25 personal knowledge of what's been the four corners of this

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1 TRO.

2 THE COURT: Well, let me do this. You file by
3 Monday -- You file a motion to strike or whatever motion
4 you want and show me in the complaint what must be
5 verified by the other party, and I'll look at it on the
6 pleadings. Here you go, Kevin. Give me a written motion
7 with authority with what you think is not appropriately
8 covered in the TRO. Then I will take it from there.

9 THE COURT: Okay. Mr. MacPete.

10 MR. MACPETE: One thing Mr. Bell said which I
11 think we needed to clear up with the Court had to do with
12 Ondova, and you remember that he was suggesting to the
13 Court that Ondova was just the registrar and Mr. Baron is
14 the beneficial owner of these domain names and Mr. Krishan
15 is the beneficial owner of these domain names. And with
16 all due respect to Mr. Bell, the issue of who the actual
17 owner is prior to the settlement agreement actually being
18 performed is a highly contested issue or it was in the
19 underlying cases. For instance, your Honor, in the fifth
20 amended petition which was filed in the underlying state
21 case, Ondova, not Mr. Baron, took the position that Ondova
22 was the owner of the entire portfolio. So with all due
23 respect to Mr. Bell, if you listen to the plaintiffs in
24 this case, your Honor, they will tell you that prior to
25 the settlement agreement they owned the whole portfolio.

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1 trail because the registrar is the only one that has the
2 records, and there is not sort of an historical
3 independent database that has this, and that's part of the
4 reason why we asked Judge Lynn not to change this who-is
5 information because he can disguise what happened, because
6 he's the only one who has these records. I don't want to
7 delve too much.

8 THE COURT: I take it that you all believe that
9 he won't violate a court order.

10 MR. MACPETE: I believe your Honor has made it
11 clear what the consequence would be if he were to violate
12 this Court's order.

13 MR. MACPETE: And I'm comfortable that we're
14 protected at the moment. That being said, let's get to
15 the discovery problem we're having. At the TRO hearing --
16 The final one in front of Judge Lynn because we did three
17 telephone conferences at the end of day. At the final
18 one, Judge Lynn granted the TRO, and she was asked by Mr.
19 Bell to permit -- Mr. Bell asked the Court to order that
20 he get depositions of my three clients on three days'
21 notice and that he get document requests responded to on a
22 three-day notice for those three depositions. And Judge
23 Lynn granted that request, and she made it mutual and
24 indicated I would have the right to take the deposition of
25 Mr. Baron individually and Ondova's corporate

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1 If you listen to Mr. Baron, he would tell you that Munish
2 owns half of it, and I own half of it, and if you talk to
3 Mr. Baron at other times will he would say Ondova owns the
4 whole thing. It's a hotly contested here. So the issue
5 of the registrar being a third party is not a complete
6 picture, your Honor.

7 THE COURT: Of course, I don't understand this
8 process. You know, when I talk about ownership of
9 property it means that somebody has their name on the
10 property. Apparently it's not that simple.

11 MR. MACPETE: Well, it's not that simple here,
12 your Honor, because of the self-help that occurred in the
13 underlying case. If you looked at what the recorded title
14 to the domain names was on November 12, 2006 record title
15 to the domain names at issue was in Manila Industries,
16 Inc. and during the underlying litigation, Mr. Baron on
17 his own, went into his database records and changed the
18 record titleholder on all of our domain names or most of
19 them to set up the company he set up with somebody, called
20 TIPA, Texas International Property Associates.

21 THE COURT: I guess this is a paper trail, and I
22 can see all of it, and I can hear Mr. Baron's explanation
23 for what authority he had to do what he did.

24 MR. MACPETE: Well, the difficulty with that,
25 your Honor, is unfortunately there is not a good audit

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1 representative on three days' notice and to have document
2 requests responded to on three days' notice. And the
3 discovery period was due to start Monday of this week at
4 8:00 a.m.

5 THE COURT: But the problem I understand is the
6 document request.

7 MR. MACPETE: That is the problem. So on Monday
8 at 8:00 a.m., I got deposition notices at the same time I
9 served deposition notices and document requests. And the
10 document requests I got from the defendant were 267
11 requests long, and as I think your Honor characterized on
12 the telephone yesterday that was more of a blunderbuss
13 than a rifle shot. The document requests I served were
14 14. And I understood when we were talking about expedited
15 discovery that we needed a rifle shot, that there is a
16 limit of what people were to turn around in three days.
17 So I asked very specifically for the documents which I
18 thought I would need to prepare for the preliminary
19 injunction, and then I got on the phone with Mr. Rawls,
20 and we had a very frank discussion, very cooperative
21 discussion, on Monday about what specific documents I
22 thought I needed because I was aware that they are
23 relatively new to the case and he may not have been
24 familiar with the various sources of documents that fell
25 within the categories I asked for.

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1 At that time I also invited him to tell me
 2 specifically what documents he thought he needed, and I
 3 was very clear. I said the Court was clear. You are
 4 going to get discovery. You are entitled to discovery,
 5 and you were not going to get jammed in preparing for the
 6 preliminary injunction. So I will give you the documents
 7 that you need, but you need to tell me what they are.
 8 Because with 267 requests, most of them were outside the
 9 scope of the discovery that Judge Lynn ordered. I said I
 10 need some guidance from you. He said okay. I'm not sure
 11 what I am going to need yet and could I have an idea of
 12 what you think is going to be relevant, and I said yes, I
 13 do. And he asked me at that time if I would send him an
 14 e-mail the next day which listed the documents I was going
 15 to voluntarily produce which I thought were relevant to
 16 their defense of the preliminary injunction. I did that
 17 and had 14 categories of documents which I said I was
 18 going to be producing which I thought were relevant and I
 19 invited him in that e-mail to send me a response that says
 20 if there were any other documents which I hadn't
 21 identified -- and I certainly wasn't going to represent
 22 that I had got everything that he might think was
 23 relevant -- that I was willing to produce those things
 24 within the scope of discovery if he would just identify.
 25 On Tuesday, we had several conversations, but he

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1 hour and a half, the defendants and their client went away
 2 and stayed in the room for about two or three hours
 3 working on any other documents that they thought they were
 4 going to need. Essentially, what I had been asking them
 5 to do for the past three days, and they came up with a
 6 list, your Honor, between them and their client after
 7 spending hours of our deposition time doing what should
 8 have been done days earlier and said these are the things
 9 we think we need that weren't on your list Tuesday, Mr.
 10 MacPete.

11 And after we got together and talked about it,
 12 there are ten items on this list and counsel amongst
 13 ourselves agreed that four of them weren't relevant and
 14 that one of them didn't have any documents that would be
 15 responsive. One of them I had already agreed I was
 16 actually going to produce. And then the other two
 17 basically were things which I was willing to produce but
 18 were back in California because my people have flown here
 19 to comply with the Court's order to give depositions on
 20 Thursday. And so I would get it to them as quickly as I
 21 could, but I was hamstrung, given they hadn't responded
 22 and asked for this earlier in the week.

23 So that's where we are I think with respect to
 24 the documents they need from me. I think we have pretty
 25 much agreed that I am providing the documents I said I was

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1 was not able to respond to that request for anything
 2 further he needed, and then on Wednesday we probably spent
 3 most of the day together trying to work out various
 4 agreements on the order of discovery and that sort of
 5 thing, but he was still unable to tell me what documents
 6 he needed besides the ones I identified I was going to
 7 produce.

8 THE COURT: And so you still haven't resolved
 9 the issue, and they still want 267 documents.

10 MR. MACPETE: That's not even really the
 11 documents. We get to the deposition at ten o'clock. His
 12 client is supposed to sit for a deposition and my client
 13 is supposed to sit for a deposition. We agreed that we
 14 would sit down prior to those depositions starting and
 15 talk about where we are in terms of document production,
 16 and at that time he was still not able to tell me that he
 17 had a need for anything I had already produced.

18 THE COURT: So there has been some limited
 19 production by both sides?

20 MR. MACPETE: We haven't exchanged, but we have
 21 told each other what we have and are ready to produce. So
 22 he told me what he wasn't going to produce. And I'll get
 23 to that in a minute because that's what I need your help
 24 on.

25 After that meeting which probably took an hour,

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1 going to provide them, and I will give them the other
 2 documents they asked for as soon as I can get somebody in
 3 California to prepare it.

4 So turning to the document request that I sent
 5 to Mr. Baron, the first problem that we have is we had
 6 document requests that specifically asked for the
 7 financial information related to Mr. Baron individually,
 8 and as we just got done talking about, your Honor, it's
 9 all over the map about who in the underlying case was the
 10 owner of these domain names. So when Mr. Bell says it
 11 should be the registrant that pays this instead of the
 12 registrar. Well it's not clear who the registrant is.
 13 It's not been performed. Then we will know. But before
 14 that, all you have is different allegations in the
 15 underlying litigation and no clarity on who's actually,
 16 quote, the owner. So ultimately the registrar -- who's
 17 one of the underlying claimants saying they own the whole
 18 thing -- is the person that gets the bill from VeriSign
 19 and ICANN, and the settlement doesn't say anything other
 20 than the registrar paying the expenses, but they have
 21 alleged it's supposed to be Mr. Baron and Mr. Krishan.
 22 And as I read to the Court yesterday on the phone the
 23 portion of the transcript in front of Judge Lynn in which
 24 Mr. Bell represented in his view the registrant, the
 25 people paying the fees are Mr. Baron and Mr. Krishan.

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1 That being said, it made sense for me obviously to send
2 the document requests I did saying give me the personal
3 financial information of Mr. Baron because Mr. Baron has
4 claimed in the underlying litigation that he is the owner
5 of the domain names, and his counsel has represented to
6 Judge Lynn that he is one of the people who's supposed to
7 be paying for them.

8 And in fact, as I told your Honor, Mr. Baron and
9 Ondova were paid over 5.6 million dollars during the
10 pendency of the underlying litigation. So when he comes
11 to this Court and says Ondova cannot pay for these domain
12 names and it's going bankrupt and domain names are going
13 to be lost, the veracity of that statement needs to be
14 tested. And in our complaint, your Honor --

15 THE COURT: Mr. Bell is taking the position that
16 Mr. Krishan is the owner and Mr. Baron is the owner.

17 MR. MACPETE: That's correct, your Honor.
18 That's what he told Judge Lynn. It's on Page 17 of the
19 transcript from the TRO hearing. And he indicated that --
20 He said it's on the registrant's side which is Mr.
21 MacPete's clients and Mr. Baron, the beneficial owners, to
22 pay for the registration fees. That's what he represented
23 to Judge Lynn. That's what his client was telling him
24 last Friday. I understand that his client is now telling
25 him something different and we're going to hear some kind

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1 It's in his complaint. He's talking about corporate
2 minutes and corporate books. I'm a speaker at one of the
3 Advance CLE Seminars on corporations, and nowhere in the
4 Code does it talk about an LLC having to maintain
5 corporate books and records, and in fact, that's one of
6 the precise reasons why the legislature adopted the
7 Uniform Limited Liability Company Act. So their blanket
8 allegation to try and pierce a corporate veil, alter ego,
9 whatever the case may be, is a little bit disingenuous.
10 You need to lay the proper predicate and prove that up,
11 but at this point in time Jeff Baron has never claimed
12 interest in the domain names. The analogy would be a
13 lender did take an interest in the domain names, just for
14 clarification.

15 THE COURT: Okay. Let me look at the prayer
16 here. You've asked that we proceed -- that I proceed with
17 the division of the domain names using the methodology set
18 forth in the settlement agreement, execute and submit to
19 the Court an agreed order where the Court will instruct
20 VeriSign to effect the transfer of the shared Manila
21 domain names to a registrar designated by Manila.
22 Otherwise, comply with the terms of the settlement
23 agreement, impose a constructive trust for the benefit of
24 the Netsphere parties over all revenue generated by the
25 defendant through their unlawful conversion, granting

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1 of a retreat from what was represented to Judge Lynn.

2 MR. BELL: Your Honor, I need to fall on my
3 sword. Last Friday I was almost as confused as you are.
4 Just to clarify, Baron individually -- Jeff Baron
5 individually has never claimed ownership of the domains.
6 Ondova has because it is like the noteholder -- If I own a
7 house and I have a mortgage on it and I don't pay it, the
8 noteholder has what right to foreclose on the home. Same
9 deal here. The registrants weren't paying for the renewal
10 fees, and so one of Ondova's contentions in the underlying
11 state litigation was if you don't pay the registration
12 fees we get to foreclose on your domain names, and that's
13 part of the contract, and I can put that before the Court.
14 Did I misstate something to Judge Lynn? Yes, your Honor,
15 I did and I was just getting all the facts last week. But
16 did I say he was a beneficial owner? The answer is, yes,
17 but I made a mistake. For that I'm sorry. It was not
18 intentional, registrant, registrars, everything was
19 confusing to me. And I probably misspoke, and I think
20 additionally Mr. MacPete can attest that we sounded alike
21 and talked over each other in that hearing, and we had a
22 little bit of an issue with respect to the court reporter.
23 But Mr. Baron has never personally or individually taken
24 the position that he owns the domains personally. I
25 understand that he's about to make the argument alter ego.

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1 Netsphere parties all relief. So you are here to enforce
2 the settlement agreement, correct?

3 MR. MACPETE: That's correct, your Honor. The
4 reason the financial issue is relevant, remember the TRO
5 and preliminary injunction related to deleting domain
6 names, and there was an absolute representation to the
7 Court -- represented to Judge Lynn and your Honor here --
8 that Ondova doesn't have money and Ondova can't pay for
9 these domain names, and that's why Ondova should not be
10 allowed to delete domain names and that's an issue they
11 put in issue. It's not true, your Honor. He got 5.6
12 million dollars during the underlying litigation, and he
13 has the money to pay for the renewals. They are not
14 shooting straight with the court when they say Ondova is
15 bankrupt and can't pay.

16 THE COURT: Well, let me ask you this. Mr. Bell
17 says that under the agreement between Netsphere and Ondova
18 you have to pay for the renewals of these domain names,
19 your client.

20 MR. MACPETE: We don't have an agreement with
21 Ondova, your Honor.

22 THE COURT: Who do you have an agreement with?

23 MR. MACPETE: We don't.

24 THE COURT: When you sign up with the registrar
25 there is no agreement?

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1 MR. MACPETE: There was originally a
2 registration agreement with Mr. Baron pre-underlying
3 litigation.
4 MR. BELL: I'm sorry. You can go right now on
5 Budgetnames.com. The agreement is actually on line if you
6 would like to look at it.
7 MR. MACPETE: That's actually not the agreement
8 we had because we had a specially --
9 THE COURT: When you signed up with somebody to
10 register your domain names, there must have been a
11 contract then, correct?
12 MR. MACPETE: There was a contract then,
13 correct.
14 THE COURT: And that was between Netsphere and
15 Ondova?
16 MR. MACPETE: No, actually it was between Manila
17 and Ondova. And that was pre-underlying litigation. So
18 pre the last two and a half years in which we haven't had
19 control or record title to our domain names.
20 THE COURT: At some point that agreement was
21 vitiated.
22 MR. MACPETE: I think essentially by Mr. Baron
23 when he took the domains in self-help back in November of
24 2006.
25 THE COURT: Well, I don't know if there was an

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1 decided on his own -- And so this is not counsel's
2 problem. Mr. Baron has decided on his own that he doesn't
3 have to produce the financial documents which I asked for
4 under expedited discovery order from Judge Lynn because in
5 his personal opinion they are not relevant because he
6 doesn't think he's personally liable for paying those
7 domain name expenses. That's a hotly contested issue, and
8 I'm entitled to discovery on it, and Mr. Baron's judgment
9 about what is relevant is, with all due respect, not
10 relevant here. That's the first issue we're having is his
11 refusal to turn over to counsel and ultimately to me the
12 personal financial documents which I have requested, and
13 obviously that's going to include the wire transfer
14 receipts and everything else on this 5.6 million, plus his
15 other assets, which are going to demonstrate to the Court
16 that the representation he asked his counsel to make that
17 he and Ondova are unable to pay the renewal fees are
18 false.
19 MR. BELL: Your Honor, if I may respond. In the
20 complaint it says Baron is the President and Chief
21 Executive Officer of Ondova. Mr. MacPete made the
22 representation this is only one issue with respect to
23 referring to corporations versus LLC's. First of all,
24 there are no officers and no directors of an LLC. There
25 are members and managers.

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1 underlying contract and assuming for the moment that you
2 are correct that Ondova Limited Company breached that
3 contract, that doesn't vitiate the contract. It means
4 he's liable for damages. The problem is the settlement
5 agreement hasn't been complied with.
6 MR. MACPETE: That's true, your Honor. What
7 we're talking about is whether or not Ondova as the
8 registrar who gets the bill from VeriSign and ICANN
9 actually has the resources to pay for those domain names,
10 and Mr. Bell preempted me because I was going to direct
11 your Honor to Paragraph 12 of our complaint.
12 THE COURT: Okay.
13 MR. MACPETE: As he told you, we allege in
14 Paragraph 12 of the complaint that Mr. Baron is the alter
15 ego of Ondova and liable for the acts of Ondova.
16 "Recognition of privilege of separate existence would
17 promote an injustice and gravitate against the plaintiff
18 because Mr. Baron has dominated and controlled Ondova as
19 follows:" And then we go into a number of different acts,
20 only one of which is he hasn't adhered to the proper
21 corporate formalities for Ondova. He has used the funds
22 of Ondova for personal things and a number of other
23 things. The one thing I do agree with what Mr. Bell says
24 is I have properly alleged it, and I am entitled to get
25 discovery about this particular issue, and Mr. Baron has

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1 Now, with respect to B, he also represented to
2 the Court in all the three years of litigation or four
3 years and millions of dollars spent with Locke Lidell and
4 Sapp that no discovery was taken. Now, how does he know
5 that Baron has commingled funds and other assets as a
6 convenience to assist in evading obligations of Ondova?
7 Ondova is a separate entity and Texas law recognizes that.
8 And C, he says Baron has failed to adhere to
9 corporate formalities for Ondova. Last I checked State of
10 Texas created this hybrid of LLC precisely for the reason
11 that LLC does not have to comply with corporate
12 formalities. That's one of the main reasons to get around
13 from the piercing the corporate veil standard that Mr.
14 MacPete is alleging. That's one of the issues. He made a
15 representation to the Court there was only one.
16 Here is Number 3. Maintain minutes and/or
17 adequate records. That's not part of the Texas Business
18 and Organizations Code.
19 D, Baron diverted funds or other assets to
20 Ondova. Well, if there is no discovery taken despite the
21 millions of dollars in legal fees, how can you make that
22 blanket allegation?
23 MR. MACPETE: I'll be happy to tell you that,
24 your Honor. Mr. Baron has domain names of his own. He
25 licensed those domain names to my client Netsphere in the

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1 underlying litigation. For a long time he refused to
2 actually take delivery, if you will, of the money he was
3 owed under the licensing agreement by Netsphere, and what
4 he does is used Netsphere CFO as his personal paymaster,
5 and he asked her to pay personal expenses on his behalf
6 out of the money that was supposed to be paid to Ondova on
7 its domain name. So on that, I am going to have to find
8 out what other things he has done in terms of using the
9 company money for his personal expenses, but I already
10 have evidence under my control that that behavior was
11 going on.

12 MR. BELL: I made the representation that Ondova
13 is in the red. And basically what they are trying to do,
14 it's a red herring and straw man argument put together,
15 and what they are essentially trying to do is -- It would
16 be like your Honor having a corporation, and your wife and
17 you individually. You having a corporation or LLC.
18 Basically what he's trying to do is force you and your
19 wife to make a capital contribution to the entity to float
20 expenses or get a bridge loan which Ondova has done at
21 usurious interest rates to keep this thing afloat, and the
22 evidence will show that. But to go beyond -- It would be
23 like asking for your financial records to force you to
24 make a capital contribution to you and your wife's
25 entities, and that's not appropriate, your Honor. I don't

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1 portfolio. He, Mr. Baron, not Ondova. And what he's been
2 doing here is hiding behind the corporate entity while he
3 essentially has been running everything. As Mr. Bell
4 represented -- And I guess this was wrong when he said it.
5 Mr. Baron is the President of Ondova and I guess there are
6 no presidents of LLC's. So I guess that was wrong. But
7 I'm going off of what he has represented to the Court and
8 what's been represented in the underlying litigation.

9 THE COURT: I'm almost to saying there is no
10 exchange of documents, zip, zero. So we're not going to
11 do the financial statements right now. You can ask him
12 all of those questions. Neither side gets the financial
13 statements. What else?

14 MR. MACPETE: Then, your Honor, there is another
15 category of documents, and this has to do with the
16 database which is maintained by the registrar of the
17 record title, and that's information which he is required
18 to maintain. It's actually public record. So by ICANN
19 Rules you have to be able to go in and put in the domain
20 name and pull up that information. And he's required
21 every week to electronically send a file to a third-party
22 escrow company. So if there was an earthquake or fire or
23 something happened to his computers, that information is
24 backed up somewhere else. It's publicly available
25 information, and it's information which he has to

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1 have an affirmative pleading other than the motion to
2 dismiss. The representation I made to the Court is Ondova
3 is in the red and on the verge of bankruptcy. And it's
4 completely different from that of the plaintiffs, and Mr.
5 MacPete will talk about this in a second. He's going to
6 refuse to produce Mr. Krishan's personal financial
7 records. Is that still your position?

8 MR. MACPETE: Of course, it's still my position.

9 MR. BELL: Your Honor, may I approach?

10 THE COURT: Let me talk to you for a minute.
11 For the purposes of this enforcement of the settlement
12 agreement, just for the purposes of enforcement, explain
13 to me why we need this information, Mr. MacPete, for the
14 purposes of the preliminary injunction. I realize that he
15 said he didn't have the money. But as I understand it --
16 And Mr. Bell may be wrong here. But I remember Mr. Bell
17 saying any renewal fees have to be paid not by the
18 registrar but by the owner.

19 MR. MACPETE: That's right and in the underlying
20 litigation, your Honor, Mr. Baron personally claimed that
21 he was the owner, and he also claimed on behalf of the
22 corporation Ondova, whatever we're calling it, that Ondova
23 was the owner. So he had two essentially inconsistent
24 positions in the underlying litigation. But one of those
25 positions was that he was the owner of 50 per cent of the

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1 specifically ask for. Mr. Rawls represented to me that he
2 was not able to produce that information in time for his
3 deposition. And there has been different representations
4 by different counsel about whether he actually had the
5 information. So counsel prior to Mr. Rawls represented he
6 didn't have that information and was unable to produce it.
7 That story has now changed, but nevertheless I didn't have
8 the information to be able to take his deposition
9 yesterday, and that information is critical in figuring
10 out the problems with the list that had been alleged by
11 Mr. Baron in actually coming up with an appropriate list,
12 if you will. If we go back to kind of the fundamental
13 problem of we've got a pile of domain names and under the
14 settlement agreement they need to be divided, you heard,
15 your Honor, earlier in this hearing there are three basic
16 categories of names on his registrar. There are a small
17 number -- probably 300 or less -- people unaffiliated with
18 the parties here who happened to register a domain name at
19 his registrar. Then about 3,00 he registered before he
20 ever met us.

21 THE COURT: Excuse me. It seems the great
22 problem we have here is getting some concurrence on what
23 is in the portfolio.

24 MR. MACPETE: That's right, your Honor.

25 MR. MACPETE: And to figure that out, we have to

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1 have this who-is information. That's basically where I
2 was heading. We needed to have this who-is information
3 because that will then allow the counsel at least to weed
4 out the small number of clients who are third-party
5 clients and not part of this dispute at all. Because
6 obviously those names should not be split or transferred
7 anywhere because they don't belong to any of the parties.

8 THE COURT: Well, my view is anything that
9 relates to identifying the correct portfolio is subject to
10 discovery. Why wouldn't that be the case, Mr. Rawls?

11 MR. RAWLS: My client has some amount of his own
12 customers which he doesn't want his opponents to get their
13 hands on.

14 THE COURT: The lawyers have a confidentiality
15 agreement. That would be between the lawyers.

16 MR. BELL: As long as it's mutual. They've got
17 14 employees; we've got one. I think they've got better
18 access to this information, a lot of this information than
19 we do. Oh, by the way, they made the representation to
20 the Court, your Honor, that they were the original
21 registrant. So they should have this information.

22 THE COURT: So you want me to enter an order
23 saying we're going with their list and they will put it in
24 numerical order, and that's fine with you guys.

25 MR. BELL: No, I don't think --

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1 the business Ondova which we will represent he is not the
2 alter ego of used to have employees, programmers,
3 administrators, office space. The litigation has put so
4 much pressure on the business it has one employee, and
5 that's Mr. Baron, and apparently the document situation is
6 very unwieldy. And "chaos" might be the better term. At
7 least, that's what's represented to me.

8 THE COURT: How is Mr. Baron making these
9 decisions about what is and what is not in the portfolio?

10 MR. RAWLS: I know he has had some assistance
11 from a potential business partner who was in Texas for a
12 while and no longer around.

13 THE COURT: Well, surely the registrar has some
14 obligation here. Declare bankruptcy. You know, I'm
15 looking at this like a trustee. A trustee is taken under
16 certain obligations to maintain and protect property. I
17 would think the registrar is something like a trustee. It
18 has to maintain and protect property. If it can't do
19 that, unless it fails to do so, it needs to find somebody
20 else to do this. You know these are important things. So
21 I mean it's kind of alarming that you have a registrar
22 whose obligation is to register and protect and renew this
23 property. They don't even know what the property is.

24 MR. BELL: Your Honor, real quick. If Ondova
25 was getting paid, we would be able to do it. Ondova is

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1 MR. MACPETE: We would be happy with that.
2 That's a matter of the relief we asked for on preliminary
3 injunction, but if we could have it by agreement that
4 would be great.

5 THE COURT: Give them anything that relates to
6 what is in the portfolio is discoverable.

7 MR. BELL: I agree. As long as it's subject
8 to -- There is an issue with respect to violating federal
9 laws and state federal criminal laws and state criminal
10 laws.

11 THE COURT: You have a confidentiality order
12 signed by the Court. You ought to be safe. And you
13 shouldn't be violating any laws, and that would be
14 entitled to highly confidential designation, eyes only,
15 for the lawyers.

16 MR. BELL: Very good.

17 MR. RAWLS: Your Honor, the who-is information
18 that Mr. MacPete is asking about, I want to make sure --
19 And I think the Court is on the perfect right track as far
20 as helping us figure out what the portfolio is. That has
21 been the deal breaker for this deal. This memorandum
22 doesn't define it. So everything has broken down from
23 there. But I do want to have some better direction about
24 exactly what my client is going to have to produce in this
25 expedited manner. My client has represented to me that

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1 not getting paid to do the registrar thing.

2 MR. MACPETE: 5.6 million dollars during the
3 underlying --

4 THE COURT: If we have money problems, I can
5 solve those. I can have Mr. Baron and Mr. Krishan put in
6 \$25,000 a piece into the registry. I don't know what the
7 money problems are. \$50,000 a piece. They are parties
8 here so I can have them put in all the money I need to,
9 \$100,000 a piece into your --

10 MR. BELL: The registry of the Court?

11 THE COURT: No, into your funds.

12 MR. MACPETE: Your Honor, there is an easy way
13 to solve the money problem, and it's provided in the
14 settlement agreement. These names are out there now
15 making money, maybe not much under Mr. Baron's control.
16 But under the settlement agreement, that money is supposed
17 to be divided between the parties fifty-fifty and that
18 hasn't been done.

19 THE COURT: Who is getting it?

20 MR. MACPETE: A third-party monetization
21 company, and that money has not been able to be dispersed
22 because the defendants are refusing to issue the
23 instruction to Hit Farm to give half to them and a half to
24 us, and then there is other companies making money off
25 these names by Mr. Baron. He is -- We don't know what has

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1 happened to that money.
2 THE COURT: How much money do I need right now
3 to get this done? How much money?
4 MR. MACPETE: The answer is, your Honor, nobody
5 knows.
6 THE COURT: \$100,000, \$200,000?
7 MR. MACPETE: We don't know.
8 THE COURT: Half a million dollars?
9 MR. MACPETE: What we suggest is you issue an
10 order that the defendants direct the monetization company
11 who are monetizing or who are monetizing the names to
12 interplead the funds into this Court, and the Court will
13 have the money that's supposed to be divided under the
14 settlement agreement, and the parties can come in and talk
15 about what ought to be done with that money.
16 THE COURT: It's a cumbersome process to put
17 money in the registry of the Court. You have a trust
18 account?
19 MR. MACPETE: I do, your Honor.
20 THE COURT: Why don't we do that? If we can't
21 do that, Mr. Baron and Mr. Krishan are going to put
22 \$200,000 in your trust funds. If we got money problems, I
23 can solve the money problems. We will put money in the
24 trust funds and pay out what needs to be paid out.
25 MR. MACPETE: And \$325,000 at least being held

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1 This is a document-intensive case, data-intensive case
2 printed out in some places and electronically in other
3 places. And without staff and programmers, my client is
4 telling me he's going to have a hard time coming up with
5 the broad categories they are asking for. They want to --
6 Believe me, I want to know what it is.
7 THE COURT: Your client can't tell us that? He
8 is the registrar and can't tell us what is in this
9 portfolio.
10 MR. MACPETE: Your Honor, Judge Lynn had the
11 same incredulity that you had, and she said, Mr. Bell,
12 Either your client can produce it or I will issue an order
13 that lets the plaintiff with all of their programmers and
14 experts figure it out. And if that's the answer, we'll be
15 happy to go over there and figure it out.
16 MR. BELL: For the most part, I will have to
17 confer with my client. But as a general rule, I don't
18 have a problem with the concept. They also own a
19 registrar, and we've got some trade secret stuff like I'm
20 sure he would disagree for us to go over to theirs. I
21 think my client would be agreeable to a neutral, and they
22 would be agreeable to pull that information.
23 THE COURT: This doesn't make any sense. For
24 the registrar not to have a list of the portfolio. It
25 doesn't make any sense. If he doesn't have the list and

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1 by Hit Farn, and if the defendants essentially issue a
2 directive along with me, they will wire that money in my
3 trust account. That's a perfect solution.
4 MR. RAWLS: The money problem is that we need to
5 renew the names. It's that simple. And right now my
6 understanding is the money that's being made off them from
7 the advertising clicks and all of that is not enough to do
8 that. Mr. MacPete's clients want to take --
9 THE COURT: You told me \$7,500. That's \$50,000.
10 That's not correct --
11 MR. RAWLS: If we're just talking about the time
12 period between now and the hearing, we have taken care of
13 the money problem for that.
14 THE COURT: Why can't you give the information
15 on the portfolio?
16 MR. BELL: That's like 650,000 domain names.
17 It's a big difference.
18 MR. RAWLS: We can give them information, Judge.
19 I just want to limit the scope of it to tell me client
20 exactly what he has to do. I'm being told it's going to
21 take time. First of all, Judge, yesterday I got just as
22 one chunk of documents those twelve hundred documents that
23 represented only a small portion of names deleted before
24 Judge Lynn's order. I don't know exactly where these
25 documents are. And I don't know generally where they are.

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1 he can't do the list, I'm sending them over. I'll do what
2 Judge Lynn suggests. So you either give him a list of
3 their portfolio, and if you don't have a list, I'm sending
4 people over to your computer.
5 MR. RAWLS: Would the Court be amenable to
6 allowing us a reasonable amount of time, say, by the end
7 of today to make a decision about which of those things is
8 going to happen? If they are going to get to do it, there
9 is not going to be a risk of client information. If his
10 clients do it the, highly confidential part doesn't apply.
11 THE COURT: That is true it doesn't apply. But
12 it's not sensible for the registrar not to know what the
13 portfolio is. As I say, he has to protect the property.
14 If he can't even know what the property is, that's a
15 problem. Let me tell you, I don't mind sending a third
16 party over. It would be at your expense, and Mr. Baron
17 will put the money into Mr. MacPete's account, whatever
18 that is, and I'll send the third party over, and we'll put
19 the third party under a highly confidential agreement, and
20 Mr. Baron will put the money in Mr. MacPete's account and
21 that's it.
22 MR. MACPETE: Your Honor, this is a stall
23 tactic. I'm not accusing these lawyers. They were not
24 getting the story from their client. These files are
25 electronic. Every week he has to send out an electronic

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1 file. The idea that he doesn't have it, as your Honor
2 said, is ludicrous. He has it in an electronic form, and
3 he doesn't want to produce it. So he's telling his
4 lawyers he doesn't have it or not able to produce it, and
5 that's not true. When we were in state court and dealing
6 with the prior lawyers, we all agreed this who-is
7 information needs to be produced. That's how we get to
8 the bottom of what was a third-party customer name and
9 what needed to be split. But they weren't able to get
10 their client to turn over the information, and so we
11 subpoenaed it from Iron Mountain, and he ordered the prior
12 lawyers to quash the subpoena so we couldn't get the
13 information.

14 THE COURT: Do you have the capacity within your
15 law firm to do this?

16 MR. MACPETE: Your Honor, to be honest I have no
17 idea whether anybody at my law firm can do it, and I know
18 my clients can do it. If your Honor orders that he would
19 produce it or my clients get access, I feel confident he
20 is going to turn it over.

21 MR. RAWLS: And I just want to know what we're
22 talking about, the who-is information. I don't know all
23 the information necessary to pry the parties with the
24 basis of what the list is or isn't. But whatever I want
25 to do is do it in a reasonable way. Especially under the

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1 time constraints. So if we're talking about the who-is
2 information and the last file he had to send to Iron
3 Mountain that has the information in it, we can do that.

4 MR. MACPETE: Well, your Honor, I have three
5 other things that are related to that. He asked a good
6 question. Number one, we need the who-is information.
7 That's essentially the record title stuff on all the
8 domain names on his registrar so that we can sort out
9 which are third-party customers and which are the names at
10 issue.

11 Second, I need a list of the domain names that
12 he deleted, and Judge Lynn specifically said in the
13 transcript that was something he was going to produce or
14 she was going to give us access to his computers to figure
15 out.

16 MR. RAWLS: That's printed out.

17 THE COURT: Okay.

18 MR. MACPETE: Third, I need the financial
19 information about what the domain names have been doing.
20 He's been operating this stuff and not giving the money
21 over under the settlement agreement, and we don't have any
22 access to the data he's been getting about what money is
23 earned and where it's going, and we need that.

24 THE COURT: And that's collected where?

25 MR. MACPETE: It's collected at the monetization

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1 company, and in most circumstances he would have a log in
2 at the monetization company that will allow him to log
3 in --

4 THE COURT: So that would be ordering him to
5 give authority to the monetization company to produce the
6 information?

7 MR. MACPETE: Actually the easy way would be for
8 him to give us the passwords for the various monetization
9 companies that he's currently using, and we can get in and
10 download the information.

11 MR. BELL: That's assuming he's using a
12 monetization, and that's not the case.

13 THE COURT: Well, he can give them the codes,
14 and if he is not using it, there will be nothing there.
15 Can you do that, Mr. MacPete?

16 MR. RAWLS: So it would be confidential?

17 MR. MACPETE: It's about their names.

18 MR. RAWLS: That would assume we have a list
19 that we have already pared down.

20 THE COURT: I tell you, the problem is these are
21 all things in the defendant's possession. The defendant
22 should have these in readily identifiable form. If the
23 defendant doesn't, I have to take extraordinary steps.
24 All of this would be under the confidentially order, not
25 under the highly confidential order, and your clients

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1 cannot use this information for improper purposes at all.

2 MR. MACPETE: Understood. We would want it to
3 be confident. It shouldn't be highly confidential.

4 THE COURT: You can prepare the order, but I am
5 going to give you the who-is information, and I am going
6 to give you -- You already have the deleted names
7 information. I am going to give you the information from
8 the monetization companies by giving you the passwords
9 codes and so forth. I am going to give you that.

10 MR. MACPETE: In addition to that, your Honor,
11 they represented to Judge Lynn that the names they deleted
12 were names that were worthless, not making much money.
13 That obviously means they had some kind of records or
14 reports or something from which he made the decision that
15 these are the bad names that I want to get rid of. My
16 clients don't agree with that representation to the Court,
17 but we need to get his document on which he based the
18 decision to delete these domain names and see what he was
19 relying on when he told the Court these were bad names.
20 That's not the information we have. So we need those
21 reports as well.

22 THE COURT: You'll get those. By three o'clock
23 this afternoon. If Mr. Baron says he doesn't have the
24 ability to produce that information, then I'll send your
25 people in.

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1 MR. RAWLS: Your Honor, that question by my
2 client may depend on the date it is to be done by. By
3 next Monday as opposed to Wednesday, depending on the
4 deposition going forward, that could affect his answer.

5 MR. MACPETE: That was part of the reason why we
6 were here. I was supposed to have his deposition
7 yesterday. I had a court reporter waiting for hours and
8 videographer waiting for hours. Some of them they said
9 we'll give you some of these documents, but you can't have
10 them until next Wednesday. And I think they are still
11 going to ask the Court that their depositions are not
12 going until next Wednesday.

13 THE COURT: Well, I will order all of that
14 information produced Tuesday by three o'clock in the
15 afternoon. If it's not -- And by the way, you have to
16 make the decision by today at three, and if you make the
17 decision I can't do it by Tuesday at four, then we're
18 sending in Mr. MacPete's clients.

19 MR. MACPETE: And I guess to the extent that
20 means we're going to start up with the deposition
21 schedules with their depositions next Wednesday, I come to
22 the last problem of we obeyed the court order. We
23 listened to Judge Lynn. We did what she asked us to do.
24 I produced my clients on three days' notice, and my
25 clients all live in California. So I have four people

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1 that had to fly out here to give corporate or individual
2 depositions pursuant to their notice at the last minute,
3 and that cost thousands of dollars in plane tickets. And
4 yesterday when we should have been taking depositions with
5 documents, instead we were sitting around talking about
6 whether Mr. Baron felt like his personal financial
7 documents were relevant. And I have court reporter time
8 and videographer time that got wasted. Yesterday on the
9 phone you said what I am going to do is assess cost or
10 maybe order the depositions be taken in California. I'm
11 not sure which way your Honor wants to go with that. But
12 I would ask either as a result of the defendants having to
13 have this stuff moved on when we complied with the order
14 at great expense, that we be compensated for our
15 attorneys' fees and court reporter and videographer fees
16 and the travel costs or in the alternative that you order
17 these depositions to take place at my offices in
18 California so my clients don't have to incur the travel
19 expenses again. But I would still be asking the Court to
20 order the time wasted yesterday reimbursed.

21 THE COURT: Well, I'm not going to make a
22 decision about assessing cost.

23 MR. BELL: Just so it's fair, may I say
24 something? I had a deposition of Munish Krishan, and I
25 was ready, willing and able to perform on that, and I

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1 haven't seen any documents. I'm out money on
2 videographers, and I could have taken a certificate of
3 nonappearance, and I didn't because they were working it
4 out. So we're out plenty of money, too. I have had a
5 case, your Honor, with Judge Ramirez, and they are the
6 plaintiffs in this case, and because they are the
7 plaintiffs, they filed in the Northern District of Texas.
8 There is plenty of case law that the plaintiff even though
9 they are out-of-state residents, because they chose
10 this -- and I think it's Enkey versus Compara.

11 THE COURT: You know, guys, you are arguing
12 about the shape of the table. We're going to do the
13 depositions here, but could be somebody is going to pay a
14 lot of money before this is over about the cost. We'll
15 take all the depositions. Been a lot of expense. People
16 are just completely spending treasurer in this case beyond
17 words. This is why we're probably going to kill
18 litigation in this nation. This is a great example of
19 why, because we can't agree to the shape of the table.

20 MR. BELL: I say you hold us in contempt and
21 force us to the jail and beat us until --

22 THE COURT: You do what you want to do. I never
23 require people to do what they don't want to do. If you
24 want to sit down and resolve the case, do. If not, that's
25 fine.

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1 MR. RAWLS: I understand the Court is not going
2 to make a ruling on cost, but while I have the
3 opportunity, I think it's important that the Court
4 understand that I as an officer -- I have never been
5 before you. I became involved in this lawsuit Friday
6 morning just in time for the first of three telephonic
7 hearings with Judge Lynn in which all of this was granted
8 and ordered. And since then I have done nothing else but
9 try to figure this out. And as soon as this Court moved
10 the hearing, I immediately tried to get the depositions
11 moved, and by that time it was already too late by a
12 matter of hours on the plaintiff's plane time. I think I
13 made it clear that we needed more time to get the
14 documents done. I don't want the Court to think I have
15 been stalling on behalf of anyone because I have not.

16 THE COURT: You sound like you are good lawyers
17 an good guys an working hard but we have to break through
18 this. Somewhere or another we have to figure out how to
19 resolve this case or get it in a position that a judge can
20 resolve this case. If you don't want to do anything
21 between now and the 1st, except argue with each, that's
22 fine. But on the 1st somebody is going to make a
23 decision, and you can do whatever you want. My view is
24 we're going to take the depositions here. I don't want
25 anybody to be calling me about this portfolio issue. Mr.

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1 MacPete gets what he wants, and if he doesn't get it on
2 the portfolio issue, which is the crucial issue here, then
3 there will be hell to pay. And if you guys say we can't
4 do it, then I'm sending his people in there. That's fine.
5 We can do it either way. Judge Lynn made a good decision
6 on that.

7 MR. RAWLS: With regard to giving them access or
8 directing the monetization company to tell them how much
9 money has been made on these names, my understanding is --
10 And I don't know what all information they have. I think
11 there are only certain accounts that Ondova is a party to,
12 and I don't know that they can instruct --

13 THE COURT: You are not going to instruct. You
14 are going to give the passwords so they can go directly.

15 MR. BELL: I'd ask, your Honor, that they not
16 interfere in any way with any money getting directed and
17 the Court freeze whatever monies, if any, in any accounts.

18 THE COURT: Well, let me tell you, that money is
19 not going out to inappropriate parties or anything. I
20 take it the monetization companies are just holding that
21 money.

22 MR. MACPETE: We don't know, your Honor. He's
23 been moving these things around. So your Honor is fully
24 clear on what the situation is.

25 THE COURT: It's final. You got the access

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1 the wrong places, then, you know, that's a damage issue.

2 MR. BELL: Your Honor, I'd like to get their
3 pass codes. This is according to my client. They've got
4 a million dollars at Google. Google is holding a million
5 dollars in monetization funds, and I'd like to be able to
6 get whatever information there is to that that relates to
7 the portfolio.

8 MR. RAWLS: If that's true, we would like that
9 because the settlement agreement requires a true-up of all
10 monetary funds during the litigation.

11 MR. MACPETE: Your Honor, please go back to look
12 at the settlement agreement because the settlement says in
13 Paragraph 56 fifty-fifty true up of all monies paid during
14 the litigation. It's not all monetization monies at any
15 time in the past. This Google money that they are talking
16 about is something that's pre-litigation, pre-underlying
17 litigation and not dealt with in the settlement agreement
18 at all. So we're trying to get a free fishing expedition
19 of, hey, let's see what their clients may have at Google.
20 It's got to be mutual.

21 THE COURT: No, no, it doesn't have to be mutual
22 always. As I understand Ondova is the registrar and
23 directs the monetization companies to hold certain monies
24 that come com from the portfolio.

25 Now, what is the Google money? Explain to me

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1 codes to all monetization companies that have anything to
2 do with your portfolio. So you get all the access codes,
3 period, exclamation point. And if Mr. Baron needs to do
4 something personally to call the companies, he's ordered
5 to do so. He's ordered to make sure that you have access
6 to all the monetization companies.

7 MR. MACPETE: Thank you, your Honor. With
8 respect to the money that's currently being held, is the
9 Court ordering that the parties are going to --

10 THE COURT: If they are just holding the
11 monies -- They are reputable, legitimate people -- we
12 don't have to worry about them doing something stupid.

13 MR. RAWLS: I agree.

14 MR. MACPETE: With respect to Hit Farm, your
15 Honor, I agree with that, and Mr. Cantner (phonetic) is
16 representing Hit Farm, and he's been working with all the
17 counsel. So I'm comfortable with that. There are two
18 other parking companies who have essentially refused to
19 agree that money is not going to be distributed to him
20 without our consent, and we have had to sue both of those
21 companies. We have a state court lawsuit in California
22 against one and a federal court lawsuit in California
23 against the second.

24 THE COURT: That is not an injunction issue.
25 That's just a damage issue. If the money is being sent to

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1 how Ondova has some interest in the Google money?

2 MR. BELL: Because pursuant to the MOU, Google
3 was one of the monetization companies -- When the
4 parties -- When Baron and Krishan were partners and Ondova
5 was serving as the registrant.

6 THE COURT: I understand there is --

7 MR. BELL: Basically during the life of the
8 underlying litigation, there is a million dollars being
9 held at Google that was made off of my clients' money and
10 their client. And they are holding a million bucks and
11 trying to hide the ball from us. So we want to make sure
12 that we get that information as well, your Honor.

13 THE COURT: Show me in the MOU what we're
14 talking about. It says here, after all monies held by
15 USVI entities -- And the US entities are HCB LLC; RIM LLC;
16 Simple Solutions LLC; Search Guide LLC; Blue Horizons LLC;
17 Four Points LLC; Novapoint, Inc.; and Iguana, Inc.

18 MR. BELL: Paragraph 10. It says "Any
19 monetization money" -- that would include Google --
20 "received by any of the parties," and they've got an
21 exclusive contract with Google with part of our money as
22 well of the Manila Portfolio which we're talking about
23 will be split fifty-fifty. That means Google money, your
24 Honor.

25 MR. MACPETE: Your Honor, with all due respect,

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1 Mr. Bell is confused. If you remember the underlying
2 litigation started with Mr. Baron engaging in self-help
3 and taking down our domain names, and he has operated our
4 domain names from November 13, 2006 to today. So there is
5 no Google monetization revenues for him to get any
6 discovery about. I have nothing to produce because --

7 THE COURT: Excuse me. Mr. MacPete, tell me
8 what is the Google money.

9 MR. MACPETE: I'm not sure what his client is
10 talking about, your Honor. Like I said, we haven't had
11 our domain names to monetize since the date he hijacked
12 them.

13 MR. BELL: Your Honor, I want to be clear about
14 this hijacking issue.

15 THE COURT: What are the Google funds that you
16 are talking about? They come from the portfolio?

17 MR. BELL: They have been holding many -- Google
18 has been holding money that the portfolio generated for
19 the last couple of years. That's number one.

20 THE COURT: Google has been holding money that
21 the portfolio -- the Manila portfolio generated for the
22 last couple of years.

23 MR. BELL: I need to clarify something real
24 quick. I think this might help you understand. These
25 guys were partners despite what Mr. MacPete said.

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1 THE COURT: They had a partnership agreement.

2 MR. MACPETE: No.

3 MR. BELL: The Search Guide Agreement. I got
4 plenty of evidence on that. But Mr. Krishan and Netsphere
5 and Manila sold their whole Manila portfolio for 4.2
6 million dollars to the USSI parties, and Mr. MacPete can
7 tell you -- How much did you get? 3.7 million dollars for
8 selling the portfolio.

9 MR. MACPETE: He's arguing the underlying
10 litigation about whether the deal in the Virgin Islands
11 occurred or not.

12 THE COURT: Give me an account of the Google
13 money under seal, and I'll take a look at it.

14 MR. MACPETE: I don't have any to give you.
15 He's not making sense. We haven't had the names since
16 November 13, 2006.

17 THE COURT: Is there any money generated from
18 the domain names into some Google account?

19 MR. MACPETE: And I don't have any of that
20 information. If he wants to get discovery from Google,
21 that's fine.

22 THE COURT: I'm asking you. They are making the
23 representations. You don't know whether there is at any
24 time during this time that the Manila Portfolio generated
25 money that is held in some way by Google?

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1 MR. MACPETE: I think what he's talking about,
2 your Honor -- And it's nothing we had anything to do with.
3 Is when the portfolio was originally hijacked the first
4 monetization company that Mr. Baron sent the domains to
5 was a company called Oversea.com, and that's a
6 monetization company that uses a Google feed to make money
7 on domain names. After the domain names were hijacked
8 because we were at Manila and Netsphere, those names were
9 licensed to Google. So when Mr. Baron engaged in
10 self-help, he breached those agreements. Google was
11 understandably pissed about the fact those names were
12 taken away. So Google had a contract with Oversea, and
13 when Google found out that Oversea was now monetizing
14 names which Google already had under a license from my
15 clients -- I know this from second or third hand -- Google
16 told Oversea you don't have the right to monetize these
17 names. So you have this in breach of our agreement with
18 Netsphere. So we're not paying you. And I understand
19 there is a lawsuit between the Virgin Island parties with
20 the Oversea Company about the payment of the money. We
21 don't have an account at Google. We didn't have anything
22 to do with Google telling them they weren't going to pay.
23 If he wants discovery about whether Oversea or Google has
24 the money, I'm cool with that, but I don't have the
25 documents.

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1 MR. BELL: Can I get the contract with Google
2 and whatever passwords they have, if any?

3 THE COURT: Address it to me. Address all
4 comments to me.

5 THE COURT: What about Oversea? What do you
6 have with Oversea?

7 MR. MACPETE: We weren't the ones who did that.
8 He was the -- He has whatever pass codes or whatever that
9 was with Oversea. That was being done in derogation of
10 our license rights.

11 THE COURT: What is your contract with Google?

12 MR. MACPETE: We have a contract with Google
13 that allows Netsphere to monetize third-party domain names
14 through Google's absence program. And it's nothing to do
15 with this here. All this is the defendant trying to
16 harass my clients with getting their confidential contract
17 with Google which has a penalty of death if you turn it
18 over to anybody.

19 THE COURT: I'm entering an order that you let
20 me see Netsphere's contract with Google under seal in
21 camera, and I'll see what this has to do with this.
22 Otherwise, I wouldn't require anything to be done about
23 that. So give me that by next Tuesday at ten o'clock.

24 MR. MACPETE: Key point to remember. After
25 November 13, 2006 we didn't have control of the portfolio,

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1 and we didn't get any of the money.
2 THE COURT: You can attach an advisory with your
3 in camera submission to me giving me whatever explanation
4 you want.

5 MR. RAWLS: Your Honor, if we're finished
6 talking with Mr. MacPete, the documents he wants from my
7 client I am going to defer to Mr. Bell on any additional
8 documents that he may want from the plaintiffs.

9 THE COURT: Okay. What else, Mr. MacPete?

10 MR. MACPETE: I think that's it for the most
11 part. Let's hear what Mr. Bell has to say.

12 THE COURT: Mr. Bell.

13 MR. BELL: I'll talk to Mr. MacPete. I have to
14 commend him. That 279 RFP is probably too much, but I
15 have to give it to him. 211 of them were done from Locke
16 Lord. They were so good I had to use them, but fifty of
17 them were basically contention RFP's, and there have been
18 allegations in this TRO talking about -- and it's brought
19 up on behalf of every single plaintiff individually, and I
20 understand you don't want to give out financial records,
21 and we're okay with that. But I need the corporations's
22 financial records, and I think Mr. MacPete is agreeable to
23 that because they are claiming the result is Netsphere
24 parties are on the verge of bankruptcy, and anything
25 having to do with the revenues, damages, anything like

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1 that, irreparable harm. Other than Munish's personal
2 records.

3 THE COURT: I'm here to talk about what you
4 haven't agreed upon.

5 MR. BELL: Yes, we're good.

6 THE COURT: So if you have agreed on it, I don't
7 need to talk to you about it.

8 MR. BELL: I wanted to make sure that was still
9 in play, your Honor.

10 THE COURT: Anything else?

11 MR. BELL: No, permission to withdraw, your
12 Honor.

13 THE COURT: Permission to leave the battlefield.

14 MR. BELL: May we be excused, your Honor?

15 THE COURT: I want to see where we are in regard
16 to the depositions now.

17 MR. MACPETE: Two things, your Honor, with
18 respect to that who-is information, a lot of that
19 information is kept electronically, and if it's kept
20 electronically, then I want it in electronic form. If he
21 prints out 50,000 pages, I can't do anything with it.

22 THE COURT: Electronic form is fine.

23 MR. MACPETE: And your Honor indicated now under
24 West Texas Rules.

25 THE COURT: If you can't agree, plaintiff gets

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1 to take Mr. Baron's deposition first, and defendants get
2 to take Mr. Krishan's deposition and whoever else is next.
3 So you will do it in a series.

4 MR. MACPETE: Appreciate it.

5 MR. BELL: Your Honor, are we saying the
6 depositions are going to start probably on Wednesday, is
7 what I'm assuming?

8 THE COURT: That's what I'm assuming.

9 MR. BELL: That's the 25th. I think we've got
10 probably two, three, five -- I think we can get it in done
11 in time.

12 THE COURT: Nobody is going to be resting on any
13 weekends I don't think.

14 MR. BELL: Just real quick. A couple of things
15 I need to go over my client wants produced. If what
16 Mr. -- I think I will be two more minutes, your Honor, if
17 you don't mind. It just got brought to my attention. If
18 they were the alleged owners and we hijacked it, I would
19 like to get any registration or renewal information from
20 them that's possible in an electronic format as well.

21 THE COURT: Well, in regard to portfolio
22 information, both of you ought to be -- For example, you
23 have a portfolio you think you own, Mr. MacPete. That
24 portfolio information and the domain names on that should
25 be given to the other side.

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1 MR. MACPETE: I have told them that we were
2 giving them that, and it has to be produced in electronic
3 form?

4 THE COURT: Yes, everything in electronic form.
5 Anything involving the portfolio of the Manila needs to be
6 produced going both ways.

7 MR. BELL: With respect to money received from
8 the disputed domain names from them, all revenues and
9 checks, I would like those produced. They are saying
10 there are none, but I'd like to make sure --

11 THE COURT: Well, you are talking about since
12 November of 2008 or --

13 MR. BELL: No, since 2004 is when these parties
14 allegedly went into business together. They are going to
15 have a lot of the Google information. At one point, I
16 think the portfolio was making 22, 24 million dollars a
17 year when everybody was happy.

18 MR. MACPETE: This is a complete fishing
19 expedition from the underlying litigation. Their party
20 has been directing the lawyers to try to reopen the
21 litigation in the state court, and he asked for this
22 discovery in the state court, and the judge told them no.
23 This is an attempt --

24 THE COURT: Right now as far as I'm concerned,
25 financial information is not going to be discovered by

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1 either side. I'm talking about -- I'm here being asked to
2 look at the settlement and MOU, and that's all I'm looking
3 at.

4 MR. BELL: Your Honor, I think right now I'll
5 pass.

6 THE COURT: Okay.

7 MR. MACPETE: Thank you, your Honor. We
8 appreciate your time today. I'm sorry we went past your
9 9:30.

10 THE COURT: I know you are working hard, but at
11 some point we have to do this and get the discovery done
12 and get the depositions taken and then show up here on the
13 1st. It's not going to be an easy thing for me to try to
14 resolve this, but I am going to do the best I can. My
15 main view is I take it this portfolio is valuable. And so
16 if nothing else can be done, as I say, I can put all the
17 names in a receivership and put them under some other
18 registration, and then, you know, we can wait and see what
19 happens. I don't know how much that will cost or
20 whatever. But I want you to know my goal is protect this
21 stuff and not let it get lost in cyberspace.

22 MR. MACPETE: Your Honor, if we're not able to
23 get the settlement agreement moving under the relief we
24 requested at the preliminary injunction, we will support
25 your idea that all the names should be given to a receiver

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1 is any value here, let's preserve it, and there sure ought
2 to be enough value to go around, and if there is not, a
3 receiver can tell me so five years from now.

4 MR. MACPETE: That's exactly what we want. We
5 thank you very much.

6 MR. BELL: We're going to do our best to bang it
7 out.

8 THE COURT: I saw three good lawyers today. I
9 know that three good lawyers will do their best. You
10 acquitted yourself well and I know you have been working
11 hard, but I wanted the clients here to let them know what
12 the deal is. And I'm not going to let this stuff
13 disappear in cyberspace. I am going to take charge of it
14 and save the value for whomever needs it, and if we have
15 to have a receiver every four or five years, if you agree
16 to a fifty-fifty split, I can dole the money out every
17 five years or something. I'll get the receiver to kind of
18 do a numbers split, and I'll see which money goes with
19 which numbers and take it from there. At any rate, the
20 maintain thing is the rule of law needs to prevail in this
21 matter. It's very important. We're all bound by the rule
22 of law, and if not, life is chaos and that's bad, and I
23 don't have the feeling with so many lawsuits and arguments
24 that we're making progress with the rule of law, and
25 that's my goal, and I think I can do it. One way or the

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1 and have them operated by the receiver so they can be
2 protected. But I'm hoping we can get the settlement
3 agreement moving with the lawyers -- and they are working
4 hard -- or by a preliminary injunction. But if not, a
5 receiver is a good idea.

6 THE COURT: It may be at some point I could be
7 challenged about deciding the injunction. Then I can use
8 my inherent powers, you know, to preserve the status quo
9 and preserve the property and just wait for a damage suit.
10 I have some alternatives here that I can use. But I don't
11 want everybody to think that if, for example, I don't
12 enter the injunction -- maybe it's not clear to me -- but
13 I am going to protect this property. It's under my
14 jurisdiction. I'm going to protect it and it seems
15 valuable to me, and as I say, we don't want it lost.
16 Don't think I am without any bullets in my gun because I'm
17 not. So it seems to me in everybody's's best interest --
18 less expensive and everything else -- to figure out a way
19 to resolve the case. If you can't, you'll come here. No
20 self-help by anybody. I'll keep this case under my
21 jurisdiction for ten years, and we'll let a receiver skim
22 everything off the top that the receiver needs to skim and
23 the registrar needs to take, and whatever is left, I will
24 put that in the registry of the Court, and you guys, may
25 be by 2050 I'll distribute it. So at any rate, if there

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1 other, I think I can do it. Just remember, I do have
2 access to the Army, Navy, Marines and Air Force.

3 MR. MACPETE: One last thing, your Honor. My
4 clients reminded me that the deleted domain list that Mr.
5 Rawls said is 1,200 pages and that is something I think
6 electronically --

7 THE COURT: Everything is to be exchanged
8 electronically.

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CERTIFICATION

I, Cassidi L. Casey, certify that during the proceedings of the foregoing-styled and -numbered cause, I was the official reporter and took in stenotypy such proceedings and have transcribed the same as shown by the above and foregoing Pages 1 through 113 and that said transcript is true and correct.

I further certify that the transcript fees and format comply with those prescribed by the court and the Judicial Conference of the United States.

s/Cassidi L. Casey

CASSIDI L. CASEY
 UNITED STATES DISTRICT REPORTER
 NORTHERN DISTRICT OF TEXAS
 DALLAS DIVISION
 CSR NUMBER 1703

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1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF TEXAS
3 DALLAS DIVISION
4 NETSPHERE, INC., ET AL. (Number 3: 09-CV-0988-F
5 Plaintiff, ()
6 vs. ()
7 JEFFREY BARON, ET AL. ()
8 Defendant. (July 1, 2009

9
10 Status Conference
11 Before the Honorable Royal Furgeson

12
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1 injunction by an agreed order which I understand your
2 Honor signed last Friday. That preliminary injunction has
3 requirements for the defendants to do but also for the
4 plaintiffs. And primarily as relates to restoring those
5 deleted names that ultimately resulted in the TRO and then
6 I guess the preliminary injunction. In order to be able
7 to comply with the requirements that my clients have under
8 the preliminary injunction, there is discovery that this
9 Court ordered that we needed in order to perform our
10 duties which we have not gotten in violation of this
11 Court's orders. So my practical problem is I still have
12 stuff which I need from the defendants which they still
13 haven't turned over in order to comply with our
14 responsibilities.
15 And the first deadline for things we have to do
16 related to those deleted names is today at five o'clock,
17 and I am going to tell the Court what has happened so far
18 and what I'm still missing. That's the practical problem.
19 And then the process problem we have, your
20 Honor, is really with the rule of law. Because we have a
21 situation here where there has been a willful violation of
22 this Court's orders related to the TRO, related to the
23 discovery and even related to the preliminary injunction.
24 We think the Court ought to hear about that, and you can
25 decide whether you want to do something about it today or

1 P R O C E E D I N G S:
2 THE COURT: Welcome. Would the Clerk please
3 call the case.
4 MR. FRYE: Netsphere, et al. versus Jeffrey
5 Baron, et al., Cause Number 3: 09-CV-988-F.
6 THE COURT: Good morning. Could I have
7 announcements for the plaintiffs?
8 MR. MACPETE: Yes, your Honor, John MacPete of
9 Locke Lord on behalf of the plaintiffs, and I have with me
10 my client, Munish Krishan.
11 THE COURT: Excellent, Mr. MacPete. Could I
12 have announcements for the defendants?
13 MR. KRAUSE: James Krause. And I have with me
14 my partner Ryan Lurich representing the Defendants Jeffrey
15 Baron and Ondova.
16 THE COURT: Excellent. I understood first
17 although we had the preliminary injunction resolved, there
18 was some issues still outstanding. So Mr. MacPete, tell
19 me what those issues are.
20 MR. MACPETE: I imagine the Court was curious
21 about why we needed to have this hearing.
22 THE COURT: You are correct; I'm curious.
23 MR. MACPETE: We basically have two problems.
24 We have a process problem and a practical problem. The
25 practical problem is that we have resolved the preliminary

1 a different day. But let me start out with my practical
2 problem because that's the first thing that obviously
3 needs attention.
4 What's happened since we were here last, your
5 Honor, is you may recall under the TRO proceeding that
6 Judge Lynn conducted the defendants asked for expedited
7 discovery in connection with the preliminary injunction,
8 and they asked for two things. They asked for the ability
9 to take the depositions of the parties on three days'
10 notice, and they asked for documents to be produced in
11 connection with those depositions on three days' notice.
12 And that was their request which Judge Lynn granted and
13 said, "It's mutual, Mr. MacPete is going to get your
14 clients just like you are going to get Mr. MacPete's
15 clients, and everybody turn over the documents." That's
16 where we with started with the discovery process. We sent
17 out deposition notices duces tecum for Mr. Baron and his
18 company Ondova, the registrar, and in response to those we
19 did not get all the documents, in fact most of the
20 documents that we were supposed to get. And you may
21 recall from the hearing that we had two Friday's ago, my
22 document requests were extreme rifle shot. I had 16
23 questions compared to 267 on the other side. So I was
24 specific about what I needed for that preliminary
25 injunction hearing. This is not a situation where I have

1 asked for the universe and they have had a difficult time
2 complying with the universe in three days' notice.

3 The next thing that happened is in part of that
4 TRO proceeding with Judge Lynn, she made clear based upon
5 the request from us that no documents the defendants
6 had but particularly no documents related to the who-is
7 were to be altered in any way. She was very clear. I
8 brought the transcript with me to refresh your
9 recollection. She said "I don't care whether it's
10 electronic, on paper, chiseled into a stone,
11 hieroglyphics, cave paintings, don't alter it." And then
12 your Honor signed the written order embodying that
13 prohibition on altering any of his documents, especially
14 the who-is information.

15 After the deposition duce tecums went out and we
16 didn't get the documents we were supposed to get including
17 the who-is information, we came down two Fridays ago and
18 asked the Court for help and said I need these who-is
19 documents and in particular the information because there
20 is a question about what is the agreement of the
21 information that's supposed to be split. I told you there
22 were two critical pieces of information: Who's the owner
23 or record title of the domain name, and the second was the
24 creation date. And we needed the registrant information
25 because there were three categories of names on his

5

1 and it had forty fields, and in the fields are various
2 things like the expiration date of domain names, the
3 identity of the registrant, the address, telephone number
4 for the registrant, the administrative contact, things
5 like that. But interestingly enough, there was one field
6 that was missing, and that was the creation date. So the
7 minute I got that document and I opened it up, I knew that
8 I had a rat because that information if you go on his web
9 site -- And we're going to show your Honor at the
10 evidentiary portion that, you know, when you go on his
11 registrar web site you can put in any domain name
12 registered there and pull up the who-is information. And
13 the first piece of information on that document was the
14 creation date, but it was missing from all of the who-is
15 records that he produced, and that wasn't an accident,
16 your Honor, because he knew that was a critical piece of
17 information, and he had been working for weeks to try to
18 deny me access to that information.

19 Then in addition to those two CD's that I
20 mentioned to your Honor, I also got a box of documents,
21 and what that box of documents consisted of was about 985
22 pages of a paper delete list. And you may recall two
23 Fridays ago, you ordered him to produce a delete list
24 electronically because I told you that I can't do anything
25 with a telephone book size stack of paper that has domain

7

1 registry, your Honor. There are about five hundred
2 third-party customers who are not part of the dispute
3 between the parties here before the Court, and their names
4 need to be excluded from what was going to be divided.
5 And then there are some names which were registered by the
6 defendant before he alleged there was any kind of a
7 business deal between the respective parties, and those
8 are also excluded from the settlement explicitly, and
9 the rest of the names are things that are supposed to be
10 split under the settlement agreement. And so I needed the
11 registrant agreement to weed out the third-party
12 customers, and I needed creation date information to weed
13 out the names which were rightfully just his.

14 At the Friday hearing, your Honor, you ordered
15 him to produce the who-is information for every single
16 domain name on his registrar. You ordered him to produce
17 it electronically and ordered him to produce it by this
18 past Tuesday at four o'clock, and this past Tuesday at
19 four o'clock I didn't get the who-is information. In
20 fact, sometime after five o'clock, I got a CD that was
21 produced by the counsel that are here in the courtroom.
22 Actually I got two CD's. One purports to have the who-is
23 information, and one of the CD's had a partial list of
24 domain names on his registrar, and the list purporting to
25 be the who-is information was basically a database file,

6

1 names on it that were deleted. And then there were some
2 documents that related to the underlying litigation that
3 weren't relevant, and there were some documents that
4 related to his VeriSign account and what the balance might
5 be over there.

6 That was Tuesday. So this last evening I sent
7 him the e-mail, and I listed specifically these are the
8 documents and other things which you have not produced
9 that you were ordered to produce, and you need to still
10 produce.

11 Wednesday afternoon, I finally got a delete list
12 electronically which was produced by one of the lawyers at
13 Friedman and Figer.

14 Thursday afternoon, I was told that the list I
15 had been given Wednesday afternoon was not complete, and
16 that came about when we were drafting the agreed
17 preliminary injunction, and there was a representation in
18 the original draft that said that list was everything that
19 he had deleted since the date of the settlement. And then
20 I was told, no, no, you can't have that representation in
21 there because it's not true.

22 And remember, your Honor, he was ordered to
23 produce the delete list electronically, and so then they
24 admitted, Well, we haven't produced a complete electronic
25 delete list. We then put in the preliminary injunction

8

1 that they would essentially supplement that with the
2 complete list under oath -- which had actually been
3 required by the TRO and again by your Honor in the order
4 of expedited discovery -- and they would turn that over to
5 me on Friday at noon. And so I did get that on Friday at
6 noon in compliance with the preliminary injunction, and
7 that list had 92 additional domain names that were not on
8 the list I got on Wednesday, and it purported to be under
9 oath because it came with an affidavit signed by
10 Mr. Baron. But that information was signed on information
11 and belief, your Honor, not his personal knowledge. So in
12 reality, I don't think I actually got something under oath
13 that I could do anything with.

14 Since Friday -- Also on Friday, I got a jump
15 drive -- one of those little portable hard drives that you
16 put in your computer, your Honor -- and that also had one
17 document on it. A document that had a partial list of
18 domain names on his registrar. I'm not really certain
19 what that was. But it wasn't any recognizable set of
20 domain names or delete list. But we did get that.

21 Since Friday we haven't gotten anything further.
22 One other thing, I got two e-mails from Mr. Krause on
23 Tuesday which had a pass code for the First Look
24 monetization company and a web link to get some kind of a
25 report from Park.com, but on Tuesday and since then I

9

1 haven't gotten any of the other log-ins and pass codes for
2 the monetization companies that have been making money off
3 these domain names, and I'm sure your Honor remembers two
4 Fridays ago that was specifically ordered in this
5 courtroom with Mr. Baron sitting here listening to that,
6 and I haven't gotten those pass codes. Since Friday I
7 haven't gotten anything else, and there was a subpoena
8 issued to Mr. Baron to appear here today and bring the
9 documents, including the documents I'm telling him I still
10 don't have and I need for compliance with our preliminary
11 injunction. And I was told by counsel this morning they
12 have not brought anything this morning that they have not
13 already produced. So he has not brought the other
14 documents that we know he has and he hasn't produced.

15 Why do we need these documents? What we're
16 required to do under the preliminary injunction by five
17 o'clock today, Paragraph 2, your Honor, is we have to come
18 up with a list of names that have to be undeleted or
19 restored. And you may recall there is potentially going
20 to be a \$40 fee which is imposed by VeriSign for every
21 domain name which is undeleted or restored. And under the
22 terms of the preliminary injunction which your Honor has
23 signed, if VeriSign decides to impose that fee, that fee
24 will be imposed on my clients. So it's actually very
25 important for my clients to be rifle shot, if you will,

10

1 your Honor, about what domain names need to be undeleted.
2 But potentially there is a huge fee going associated with
3 undeleting them.

4 In order to be able to do that, we need
5 basically three pieces of information: I need an accurate
6 list of what he deleted. And right now, I don't have any
7 confidence that I have an accurate list because I have
8 gotten at least two, not when they were ordered to be
9 produced, not really under oath, and they are different.
10 And so we shook the tree, and I got 92 more names added to
11 the list, and I don't know whether more shaking of the
12 tree would produce nothing or more names.

13 Let me tell you why the delete thing is
14 potentially a problem. This is a business model, if you
15 will, among registrars called drop-catching, and what this
16 is is a registrar can look at VeriSign, the industry
17 operator of .com and .net, and they can see what domain
18 names are in redemption. This is the period of time after
19 they have been deleted but before they get flushed out to
20 the public to be registered. And what these companies
21 will do is sort of line up to grab those domain names as
22 they come out. So at 12:01 on the day they come out,
23 boom, they are there to be registered before they go out
24 to the public. So the concern we have is if he is
25 deleting domain names what he may be doing is deleting

11

1 valuable domain names -- which is obviously contrary to
2 the representation he made to the Court. But he may be
3 deleting valuable domain names and hoping to drop-catch
4 them when they come out of the redemption grace period
5 thereby taking them out of the pile to be divided under
6 the settlement agreement. That's the concern. And that's
7 why we have to make sure we have an accurate delete list;
8 because if we don't know that's essentially going to drop
9 out to the public, he may be able to drop-catch it and get
10 a name worth millions of dollars. So that's the first
11 thing I need is an accurate delete list.

12 You say, Well, Mr. MacPete, maybe I can order
13 him to do it again, but I have already ordered him and
14 what more are you going to get? And what I would tell you
15 about that, your Honor, is one of the things we asked for
16 were the CSV text files that he sends every week to Iron
17 Mountain because under ICANN rules as an accredited
18 registrar for the internet he's required to escrow a copy
19 of his who-is database every week, and that is a
20 disaster-preparedness sort of thing. So if this is
21 industry got destroyed that information is kept somewhere
22 else. If I have those files, my people can back check the
23 delete list that he has given us by looking at what the
24 changes are in the who-is over the time in which he has
25 been sending those CSV text files to Iron Mountain. So he

12

1 hasn't produced those, and it's hamstringing my people from
2 being able to figure out whether we actually have an
3 accurate delete list.

4 THE COURT: What is the name of those?

5 MR. MACPETE: CSV text files. And they go to
6 Iron Mountain which is a third-party data escrow service.

7 The second thing that we need in order to comply
8 with our responsibilities under the preliminary injunction
9 is we need the reports that Mr. Baron used to decide what
10 domain names to delete. So in the TRO proceeding with
11 Judge Lynn, your Honor, his seventh lawyers -- not the
12 ones that are here -- told Judge Lynn he only deleted
13 domain names which were bad and didn't make very much
14 money. The limited records that my clients have been able
15 to access seem to suggest that's not accurate. But
16 obviously, if he was specifically picking which domain
17 names to get rid of because they were bad he has financial
18 reports or some kind of a recommendation from somebody
19 about what domain names to delete. And you ordered that
20 would be produced two Fridays ago, and I still don't have
21 it, and that is impeding my client's ability to analyze
22 whether or not a domain name should be undeleted or
23 restored.

24 And then finally, we need the statistics related
25 to the domain names which have been deleted -- what money

13

1 Now we're in a situation where I have until five
2 o'clock to figure out what's supposed to be undeleted or
3 restored, and I don't have any of the things he was
4 supposed to produce to me last Tuesday. So we're more
5 than a week out from when he was ordered to produce these
6 things, and I don't have it. Those are my practical
7 problems. That's the stuff I need. He was subpoenaed to
8 bring it with him to court this morning. He hasn't done
9 that. He was ordered over a week ago to turn it over to
10 my office primarily electronically, and he hasn't done
11 that, and of course, we obviously have the huge problem of
12 he has altered a document which he has produced in
13 litigation, and he altered that document in addition in
14 violation of a specific TRO prohibition from doing exactly
15 that, and no doubt that --

16 THE COURT: You know he has altered it because
17 the creation dates were missing?

18 MR. MACPETE: Yes. And what I will show your
19 Honor is the printout from his web site of what you get
20 when you put in a domain name registered at Ondova, and
21 you will see it has creation date information. And I will
22 also show your Honor -- And this is how I have absolute
23 certainty that it's an altered document. Not just because
24 the information is missing but in the preliminary
25 injunction it was ordered that Mr. Baron would image with

15

1 they made, how many people visited that web site while it
2 was being operated, how many people actually clicked on an
3 ad. Those are relevant piece of information in
4 determining whether a domain name is valuable. And your
5 Honor ordered two Fridays ago that he would produce all
6 the log-ins, pass codes and all the documents he has
7 related to the monetization of the domain names at his
8 registrar, and to date I have one. One log-in and
9 password for the company First Look. But we are aware
10 there are a whole bunch of other companies which monetized
11 on this portfolio -- Hit Fam, Domain Development
12 Corporation and a number of others -- none of which I have
13 pass codes for. None.

14 And Hit Fam, for instance, is the company that
15 has monetized the domain names that he has been the
16 registrar the longest during the litigation, and so
17 obviously that would be the most important one, and I
18 don't have a log-in or pass code for Hit Fam. I have
19 documents basically to prove up every one of these
20 different monetization companies has a log-in and pass
21 code, and we have printed those out and put them in the
22 record. So you don't have to take my word for it. Every
23 one of these things has a log-in and pass code, and he has
24 been running these things during the underlying litigation
25 after he hijacked them. I don't have those.

14

1 a forensic document imaging company, an unrelated third
2 party, all of his electronic documents, and that was
3 supposed to be done by Monday and turned over to me at
4 noon. So I got a DVD this Monday before noon, and it had
5 two files on it, and the two files on it were the altered
6 who-is document which was produced to me Tuesday after
7 five o'clock and the original. And what you can see, your
8 Honor, and we've got the computer set up to be able to
9 demonstrate this to you is in the unaltered document it
10 has 41 fields, and the 5th field is creation date, and the
11 6th date is the altered document. In the altered, it has
12 40 fields and the 5th field is creation date. So you can
13 see he deleted the 5th field with the creation date on the
14 document before he turned it over, and it's right there on
15 the DVD they turned over on Monday. He was ordered to
16 produce all the documents, and they weren't imaged.

17 The CSV documents I talked to you about today
18 and two Fridays ago weren't images. The images you get
19 when you go to his web site and you put in a domain name
20 and ask for the who-is information, not imaged. At this
21 point, I don't know who's responsible for that. But I
22 have incredibly willful violations of the TRO, of your
23 order on expedited discovery and now of the order in the
24 preliminary injunction to image all the who-is related
25 documents, and that's my process problem which we can talk

16

1 about second. But that's basically a summary of where I'm
2 at and what I need the Court's help with.

3 THE COURT: Your immediate need is to determine
4 how to undelete the names? Is that the word you are
5 using?

6 MR. MACPETE: Yes, undelete.

7 THE COURT: And how many names do we know of
8 have been deleted?

9 MR. MACPETE: I think the last list that he gave
10 us sort of under oath was 74,520. Around there.

11 THE COURT: 74, 520. So all of them at forty
12 dollars, that would be about --

13 MR. MACPETE: Almost three million dollars, your
14 Honor. That's a lot of money.

15 THE COURT: 2.8 million dollars, something like
16 that.

17 MR. MACPETE: So I really have two suggestions
18 basically about how we could proceed with the practical
19 problem. On the one hand, you could I guess try to order
20 him again to produce what he has been ordered to produce
21 and refused to do so.

22 THE COURT: By the way, do you have a handle on
23 the 74,000 deleted names? In other words, if you needed
24 to go and undelete those, you will know what the 74,000
25 names are?

17

1 Court. Is that permissible?

2 THE COURT: That certainly is.

3 MR. KRAUSE: Your Honor, my firm was fully
4 retained on the afternoon that these documents had to be
5 produced.

6 We received a copy of the Court's order on
7 expedited discovery at 4:10, 10 minutes after the
8 deadline. I know you are familiar with Caleb Rawls. When
9 he saw the order, he knew we immediately had a problem
10 because there at the hearing the lawyers on our side came
11 away with a very different understanding of what had to be
12 produced than what ended up in the order. The order is
13 much more specific and requires additional copies of
14 several of the items. It also requires financials --
15 which we obtained the transcript yesterday. The Court
16 clearly ruled at the hearing no financials had to be
17 produced. We knew we had a problem. And I'm not
18 criticizing anyone for that. I'm just saying we
19 immediately knew we had a problem. That's why we worked
20 out the injunction. My client -- The idea that my client
21 would now have to pay the \$40 fee, we took the burden in
22 the mechanics of the preliminary injunction of all of
23 those deleted names. The domain names on the Manila list
24 have been split. We have done the coin flip. They are
25 analyzing how many of the deleted names showed up on their

19

1 MR. MACPETE: Yes, sir, we know what they are.

2 THE COURT: Okay. Go ahead.

3 MR. MACPETE: So there is two ways I think that
4 you could potentially deal with this. One would be to
5 essentially order him again to produce everything that he
6 was supposed to produce and I suppose extend our time to
7 provide this undelete list. And then you would have to
8 order VeriSign to extend what they call the redemption
9 grace period, the period of time before the name goes out
10 to the public which their in-house counsel has indicated
11 it's possible with a court order as long as it was a
12 limited period of time.

13 Or, you could essentially say, "You know what?
14 You had an opportunity to do this. You knew it was needed
15 for the preliminary injunction, and Now what I'm going to
16 do is order you to undelete all of those names at your
17 expense instead of Mr. MacPete's clients' expense." And
18 well, then he created the three million dollar for himself
19 by violating the Court's orders. Those are the two
20 suggestions I have at the moment to deal with my practical
21 problem.

22 THE COURT: Thank you, Mr. MacPete. Mr. Krause.

23 MR. KRAUSE: Your Honor, I haven't been before
24 the Court, but if it's necessary Mr. Lurich knows some of
25 the details if it's necessary for him also to address the

18

1 list, and they get to pick -- and it's a random process --
2 from our list a deleted name. I mean a name off of our
3 list. The same number of deleted names that show up on
4 their list. We did that because there is potential of
5 this \$40 if somebody was ordered to do that. My client is
6 giving up what he thinks are valuable names in that
7 process to alleviate any harm to the plaintiffs.

8 At the end of the order, we have given them the
9 right if they want to have the deleted names, they can do
10 that. But they have already in the order been compensated
11 for the deleted names that show up on their list. My
12 client has a deadline at noon today under the order. I
13 asked Mr. MacPete on Friday to not have this hearing, and
14 I specifically asked him what is it you need today -- if
15 you think there are violations of an expedited discovery
16 order for depositions that were canceled because we had a
17 preliminary injunction. We really think that was mooted.
18 We understand the Court may be unhappy that his orders
19 weren't fully complied with, but we understood that was a
20 problem when we got in the case. That's why we twisted
21 our client's arm to work out that preliminary injunction.
22 We're hoping to help fix some of the problems that have
23 been apparent in this case thus far. But I asked Mr.
24 MacPete, What do you need today, thinking that these
25 discovery issues are moot. We have in the preliminary

20

1 injunction — There is various forms of verification that
2 are required within the preliminary injunction order. And
3 this is the first time I'm hearing today that they need
4 that information to know what they might want to undelete.
5 We're happy to get them everything they need. But it
6 needs to be done in a way that we can comply with our
7 other obligations under this preliminary injunction. The
8 idea that we have altered that document, it's erroneous.
9 My client has a program that pulls in categories of
10 information that don't have the domain name. That's one
11 reason it's not on the version that gets sent to Iron
12 Mountain. The second document that was imaged, set up
13 specifically by us because we knew they wanted the
14 creation date. It's not been altered. It's just been
15 supplied in two separate files.

16 I would really like to get this case in a better
17 posture. My week and two days in the case have been -- I
18 feel like I have stepped into an ambush. But we're here
19 to comply with the preliminary injunction. I don't think
20 we have a problem extending their dates on the delete and
21 getting them what they want. We really didn't think we
22 were going to have a hearing today. We understood from
23 the — We didn't get the transcript until yesterday. We
24 understood you were upset, and we didn't need to be told
25 that. We didn't need to be told that a federal judge gets

21

1 upset when discovery is not provided. We have tried to
2 fix that. That's what this agreed preliminary injunction
3 is, and we'll fix whatever needs to be fixed. But I want
4 the Court to understand that the reason we did this was to
5 avoid the need for the Court to rule on that \$40 fee and
6 the 74,000 domain names. We're already giving them domain
7 names for the ones on their list. We'll give them the
8 data. We're happy to extend their dates. If I had been
9 asked that before this hearing, I would have agreed to
10 that. Are there questions you have?

11 THE COURT: What do you understand is this grace
12 period before the deleted domain names go into the general
13 public, go to the general public?

14 MR. KRAUSE: My understanding is the standard
15 time is the 30 days. It runs on July 9th. My client has
16 no intention of picking up these deleted names. No
17 intention of doing that. Mr. MacPete believes VeriSign
18 will extend that with an order. We have no objection to
19 that. We're happy for the Court to order an extension of
20 that date. One of the problems we have had and one of the
21 reasons we filed a continuance was these dates in this
22 order we felt like -- and Mr. MacPete felt like for his
23 client -- that the sequence of dates had to work off that
24 delete date. So if the Court orders that date extended,
25 we're happy to give everybody a little time on all the

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1 dates. My client has a deadline today at noon where he is
2 going through his three hundred some odd thousand domain
3 names and trying to protect the ten percent he gets to
4 protect before we do this random allocation to them off
5 our list for the deleted names. And really, I was going
6 to hope that we could either extend that or excuse him to
7 go finish that deadline. Or if the Court would entertain
8 extending that to the end of the day. It's a very
9 compressed — My client has been working very hard to get
10 that list put together. And we have been pushing him to
11 get it accomplished, and that's what he intends to do, and
12 that's what we intend to have happened. I don't know if
13 we extend that last date if we could perhaps extend all of
14 them a few days. We're happy to give them much more time
15 on the deleted list than we get on our extension.

16 THE COURT: What about the log-in and pass
17 codes, for example to Hit Farm?

18 MR. LJURICH: Good morning, my client produced
19 the pass codes and log-in for First Look and Park.com.
20 The other names that your Honor heard such as Hit Farm,
21 through litigation or cease and desist letters sent from
22 the plaintiffs, my client no longer has access to those
23 companies. So we don't have pass codes or log-in
24 information to give the plaintiffs. We are under the
25 understanding that plaintiffs have secured that

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1 information through their either litigation with these
2 companies to block payments or cease and desist letters
3 which some of these third-party companies are voluntarily
4 complying with. We have given what we have control of.

5 THE COURT: So right now you have been shut out
6 of all but two?

7 MR. LJURICH: That's correct. And we have
8 provided First Look and Park.com, the ones we have not
9 been shut out of.

10 THE COURT: Once Mr. MacPete gets the deleted
11 names, how is he to evaluate whether to undelete them?
12 What's your view on that?

13 MR. LJURICH: Well, the information we use to
14 ascertain whether or not they were valuable to us was
15 through either First Look or Park.com. So they have
16 access to the information that we used to determine
17 whether or not they were valuable and worth deleting or
18 not deleting.

19 THE COURT: So the only deleted names that
20 happened were names with these two monetization firms,
21 that were monitored by these two firms.

22 MR. LJURICH: Correct. Well, this is the array
23 of information we have utilized to make that decision,
24 just from First Look and Park.com.

25 THE COURT: You got information from them, and

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1 that's the information your client used to determine
2 whether to delete or not?

3 MR. LURICH: Yes.

4 THE COURT: And they now have the pass codes or
5 log-ins, and they can go in there -- They have all the
6 deleted names right now, correct?

7 MR. LURICH: Correct.

8 THE COURT: So your view is they can go into
9 First Look and Park.com, check what kind of money is
10 flowing from a particular name and make their own
11 decision?

12 MR. LURICH: Correct. And in addition to that,
13 the First Look and Park.com will provide more recent
14 information. But prior to this litigation they would have
15 the historical information of how they utilized these
16 domain names as well. So they could make a historical
17 assessment based on information available to them as well
18 as utilize the First Look and Park.com information to gain
19 a more recent look at how these domain names were
20 performing.

21 THE COURT: Help me with this. You have a
22 domain name, and you want to have somebody collect the
23 money that comes from advertisements and so forth for a
24 specific name. Does the specific name get placed with a
25 specific monetization firm or does it get placed with a

25

1 bunch of monetization firms?

2 MR. LURICH: I don't know the answer to that,
3 your Honor. My belief is it's placed with several. But I
4 do not know the answer to that.

5 THE COURT: So it could be that they would have
6 to, for example, get access to Hit Farm which also might
7 have information about some of the deleted names. Is that
8 correct?

9 MR. LURICH: My understanding now is it's just
10 part of First Look for the monetization of these domain
11 names.

12 THE COURT: That's the only one that has them?

13 MR. LURICH: Yes, sir.

14 THE COURT: Okay. What else would you share
15 with me, Mr. Lurich?

16 MR. LURICH: Well, your Honor, Mr. MacPete
17 brought up the issue of the subpoena. And we filed a
18 motion to quash the subpoena for two reasons.
19 Essentially, one was because it was served for the purpose
20 of gaining testimony for a preliminary injunction hearing
21 which we mooted by entering into an agreed preliminary
22 injunction.

23 Second was the undue burden the subpoena imposed
24 upon my client in light of the fact that the agreed
25 preliminary injunction set a very specific time line that

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1 my client is very diligently trying to comply with. And
2 so having to put down his efforts on complying with the
3 preliminary injunction, he would have to focus his efforts
4 on producing information under the subpoena, and those are
5 the grounds we filed and asserted in the motion to quash.
6 It then came to my attention yesterday afternoon speaking
7 with our predecessor counsel who were involved in the case
8 when the subpoena was actually served that the subpoena
9 was not personally served upon Mr. Baron, nor was the
10 witness fees and travel fees tendered as required by Rule
11 45 of the Federal Rules of Civil Procedure. So an
12 additional ground that we now assert to quash the subpoena
13 is it's not a validly issued subpoena in accordance with
14 the Rules, and that's why we didn't bring any documents
15 today under that subpoena.

16 THE COURT: Thank you, Mr. Lurich.

17 MR. KRAUSE: Your Honor may I.?

18 THE COURT: You can, Mr. Krause.

19 MR. KRAUSE: I was thinking about this case this
20 morning when I was jogging, and I know where this is
21 heading if we don't get a handle on the allegations -- I
22 kind of feel like I have been in a week of ambush. I
23 don't know if there is a way we can -- I'd like to extend
24 all the dates, extend their dates more, the deleted dates.
25 If we could have a call with your Honor each day on the

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1 status until we finish the order, I'd like to head
2 problems off. I don't have the technical people at my
3 disposal that Mr. MacPete has. He has -- Most of these
4 people are programmers is what I understand. And I don't
5 know if your Honor would be willing to do that. We don't
6 want problems. We agreed to the injunction to avoid
7 problems. You are hearing allegations about a lot of
8 technical computer issues I never heard of before a week
9 ago. If a master could help us sort out some of those
10 issues and determine what really happened. I would ask
11 the Court consider that. I think just like these dates
12 are very hard on my client who basically runs his own
13 shop -- He has a few people to help him part time. He has
14 limited -- They have other jobs that he can do. I think
15 we're using dates and discovery issues to put a lot of
16 pressure on him so that he can't comply -- Mr. MacPete is
17 a great lawyer. I have been amazed at what I have seen so
18 far. But I want to level the playing field and make this
19 fair and have total disclosure that needs to be disclosed.
20 And if we could find a way to do that, I'd like to do it.

21 THE COURT: Thank you very much. Thank you, Mr.
22 Krause.

23 THE COURT: Mr. MacPete.

24 MR. MACPETE: A couple of things I would say,
25 your Honor. First of all, I disagree with Mr. Krause that

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1 today is the first time he heard that I needed this
2 information. I sent them an e-mail on Tuesday night which
3 was extremely detailed about the information I needed, and
4 I was also extremely clear when we were negotiating the
5 preliminary injunction that while the preliminary
6 injunction hearing was going to be resolved by that and
7 the depo of Mr. Baron was going to be resolved by that,
8 the document issues were not going to be resolved by that,
9 and in fact, I think there is a footnote specifically in
10 the preliminary injunction that says something to that
11 effect. So I disagree with him that this is the first
12 time he has heard that I need those documents, and in
13 fact, I have an e-mail from him in which he assures me
14 that I would get all the documents, and I have not. So
15 it's not true that this is some sort of an ambush that he
16 didn't know what documents were needed and still didn't
17 know even after the preliminary injunction was entered.

18 And he said he would have agreed to extend the
19 dates if he had been asked. Well, in fact yesterday, your
20 Honor, consistent with what I know this Court wants, I
21 called Mr. Krause, and I made him an offer. This is
22 settlement so I won't get into the specifics. But I made
23 him an offer involving extending the dates under the
24 preliminary injunction, and that offer was not responded
25 to and thereby rejected. So it was not true that there

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1 was no discussion between counsel. I don't want the Court
2 to have the impression that Mr. Krause has been ambushed
3 by me. That's not true. To the extent he feels ambushed
4 because he has gotten in the case at the last minute,
5 that's because he's the eighth set of lawyers. That's not
6 my problem. Ultimately, I believe it's Mr. Krause problem
7 because he agreed to get in and represent Mr. Baron under
8 those circumstances. I'm sorry he feels ambushed. But we
9 have had the problem of being whipsawed where we
10 continually have new counsel coming in and we don't know
11 what's going on. We have to rely on our client. That's
12 why we told you at the prior hearing we don't think the
13 lawyers are the problem, but the client is. And the
14 client is changing counsel in a way to manipulate the
15 system. The state judge pointed that out in one of the
16 hearings he had last month. So that's basically what I
17 would respond about whether there has been any kind of an
18 ambush associated with this.

19 He talked in the last about how his client is
20 being pressured because of these dates. And what I told
21 Mr. Krause about that when he originally asked me to move
22 this hearing was I need these documents and there is not a
23 great deal of sympathy on my side of the courtroom for his
24 problems of how he gets everything done. Because if he
25 had actually complied with this Court's order and produced

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1 what he was supposed to produce last Tuesday at four
2 o'clock at my office, he wouldn't have the problem of
3 being squeezed between doing his duties to produce the
4 discovery the Court ordered and doing his duties to
5 perform under the preliminary injunction. He has created
6 that problem himself, and now he's here at the Court
7 saying, Sure, let's extend Mr. MacPete's dates and our
8 dates too. That's what he would like. More time to get
9 his stuff done. That's the game this client plays. He's
10 always looking to get more time, and he uses the changing
11 of counsel as one way to try to get more time. That's
12 what we have heard today. These lawyers are obviously in
13 a bad spot because they have stepped into the situation at
14 the end, and they are asking for help, and as I told them,
15 I will give them as much professional courtesy as I can,
16 but I can't give them extensions. And as you heard, we
17 have this extension with VeriSign which has enforced the
18 pace we have here.

19 Now getting down to sort of the detail of back
20 on what we needed. We did not get a log-in and pass code
21 for Park.com. That's flat out untrue. I have a copy of
22 the e-mail from Mr. Krause. I have a log-in and pass code
23 for First Look, but not Park.com.

24 THE COURT: Can we resolve this real quick? Can
25 somebody give me the log-in and pass code for Park.com

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1 this very minute?

2 MR. KRAUSE: Your Honor, what I'm understanding
3 is the URL that was provided provides all of the
4 information. It doesn't require the pass code. You go to
5 that -- is that --

6 MR. LJRTICH: That's all we have.

7 MR. KRAUSE: That's all we have.

8 MR. MACPETE: Your Honor, may I approach?

9 THE COURT: You may.

10 MR. MACPETE: The home page for Park.com. User
11 name and password. There is absolutely a password. He's
12 got it, and he doesn't want to turn it over, and that's
13 why we're getting the URL link. I would suggest the fact
14 that he doesn't give us that where clearly he has it is
15 just another example of his willful refusal to follow this
16 Court's order on discovery.

17 THE COURT: Well, I don't know a lot about
18 computers and web pages and web sites and so forth. But I
19 do know that you normally can't just go to a web site and
20 especially one that has sensitive documents and
21 information on it and just get into all of that
22 information. I don't understand -- Is it the view of the
23 defendants that by just going in, they can access
24 everything on Park.com, all the sensitive information and
25 so forth by entering the web page? That what you are

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1 telling me? If somebody is telling me that, they need to
2 tell me under oath.

3 MR. LURICH: Your Honor, Park.com is not my
4 client's company.

5 THE COURT: I understand, but I understand he
6 has had access.

7 MR. LURICH: Through this URL that the
8 controller of this web site gave my client. And that is
9 the access that my client has, and that's the access that
10 he turned over to the plaintiffs.

11 MR. MACPETE: Your Honor, I just find that
12 incredible. You can see there is clearly a user name in
13 the log-in, and the advertisements talk about how you can
14 log in and do all of these different kind of reports and
15 ask it to sort by number of clicks and things like that.
16 And so the idea he has some limited functionality with
17 them that nobody else has because everybody else has a
18 user name and password doesn't make sense to me.

19 THE COURT: I think we probably need to get
20 Mr. Baron here under oath, under penalty of perjury, to
21 testify. So bring him forward. So Mr. Baron this is
22 under penalty of perjury. Perjury can have criminal
23 implications. You can go to prison for perjury. Be
24 careful about what you are telling us here.

25 (Sworn)

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1 codes, slash passwords for all monetization accounts for
2 any domain names registered at Ondova to the plaintiffs.
3 Do you see that?

4 A Yes, I see it.

5 Q And you see it's not limited to what you think
6 are the domain names are at issue, is it, sir?

7 A My understanding is this was entered after the
8 time that we were going to produce the documents which my
9 understanding was to include those four volumes that I
10 produced. My understanding was this was given after the
11 time we were supposed to get -- what my understanding was
12 about the last hearing that we had.

13 Q Take a look at Paragraph 6. It says all the
14 documents are supposed to be produced by Tuesday, June
15 23rd by 4:00 p.m. at my offices, correct?

16 A I see that here, but I was not given this until
17 after that time.

18 Q And that was over a week ago, wasn't it, sir?

19 A Yes, sir.

20 Q And so you had that order for a week, and you
21 understood you were supposed to turn in all the domain
22 names on your registrar for over a week, but you haven't
23 done it?

24 A I turned over what I understood we were supposed
25 to turn over.

35

1 THE COURT: Okay. You are under oath, under
2 penalty of perjury. Failure to testify truthfully can
3 subject you to criminal penalties, to prison. You may
4 question the witness.

5 MR. MACPETE: Thank you, your Honor.

6 JEFFREY BARON
7 DIRECT EXAMINATION

8 BY MR. MACPETE:

9 Q Mr. Baron, do you have a contract with Park.com?

10 A Yes, but it does not include these names.

11 Q But you have a contract with Park.com which
12 includes names registered at Ondova, correct?

13 A Yes.

14 Q And you understood that the Court ordered that
15 you were to produce all the log-ins and pass codes for all
16 the names being monetized that are registered at Ondova?

17 A My understanding was that it was to include
18 names that were in dispute that we were dealing with in
19 this lawsuit.

20 MR. MACPETE: Approach, your Honor?

21 THE COURT: You may.

22 BY MR. MACPETE:

23 Q Take a look at Paragraph 2 on the order of
24 expedited discovery. You will see Paragraph 2 says
25 "Defendants shall provide the online log-in, slash access

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1 MR. MACPETE: See, your Honor, this is precisely
2 the problem of he wants to decide what he thinks is
3 relevant.

4 THE COURT: Listen to the question, Mr. Baron.
5 Ask the question again.

6 BY MR. MACPETE:

7 Q You have known for over a week that you were
8 supposed to produce the log-ins and pass codes for all
9 monetization accounts for any domain name on your
10 registrar, didn't you?

11 THE COURT: You have either known it or not
12 known it.

13 THE WITNESS: Not the way that Mr. MacPete is
14 stating it.

15 BY MR. MACPETE:

16 Q Did you read this order, sir?

17 A I read it right before the time that we were in
18 the middle of preparing for the depositions and so forth.

19 Q And that was last week, wasn't it, Wednesday of
20 last week, correct?

21 A I am trying to remember the days. It's been a
22 very, very long week but I believe it was Wednesday a week
23 ago.

24 Q That you read this order?

25 A I believe so.

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1 Q And there is no limitation in this order to
 2 withhold monetization codes that you don't think are at
 3 issue, correct?
 4 A I complied with what I thought I was supposed to
 5 comply with which was in cooperation with my attorneys. I
 6 thought I was giving exactly what we needed to give. My
 7 understanding is what the Judge had ordered at the hearing
 8 was what we had produced before the deposition and that
 9 this other information was what we were trying to get the
 10 temporary injunction to alleviate.
 11 MR. MACPETE: Your Honor, I am going to object
 12 to unresponsive. My question was, was there anything in
 13 the order that allowed him to limit what he was producing
 14 to what he thought was at issue.
 15 THE COURT: Mr. Baron, the reason this is in
 16 writing is so that people could have no doubt about what
 17 was required. So we talked about a lot of things at the
 18 hearing, but I wanted an order that would leave no doubt
 19 about what was required. And this order I had hoped would
 20 leave no doubt. So you cannot decide after a judge signs
 21 an order that that's not your understanding. You have to
 22 read the order. Read it with your lawyers and you have to
 23 comply with it. And it's clear to me that you have not
 24 complied with it. Let me ask you a question. Have you
 25 given to the other side the online log-ins, access codes

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1 believe I have a log-in, but not this stuff we're talking
 2 about. It's not for the names, the disputed names.
 3 THE COURT: Do you log in only for a particular
 4 name? Do you log in and --
 5 THE WITNESS: For these names, for this disputed
 6 account names, I have never actually done a log in. I
 7 have had the URL, but I have not logged in, as he is
 8 talking about.
 9 MR. MACPETE: Here's the problem, your Honor.
 10 He's trying to segregate out. He says these are the names
 11 I agree are at issue, and for those names I just have this
 12 URL. But other names which are at my registrar which he
 13 is ordered to produce the codes for, I don't think those
 14 are at issue, and I have codes, but I'm not turning them
 15 over. That's what we have just heard.
 16 MR. KRAUSE: Your Honor, we're having some give
 17 and take. May I make a statement?
 18 THE COURT: Okay.
 19 MR. KRAUSE: This was relevant before we did the
 20 coin flip and the split that is now part of the
 21 preliminary injunction. The names they obtained, it's my
 22 understanding are accessible through this URL. The issues
 23 for the TRO and in the depositions were if we were going
 24 to fight over who was going to get which names. The issue
 25 we have now is we didn't need the depositions to issue --

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1 and passwords for Park.com
 2 THE WITNESS: I gave them what I had which was a
 3 cookie-based URL which provides them with all the
 4 information they are seeking. That's the only information
 5 I had for the log-ins.
 6 THE COURT: Do we have a computer that we could
 7 right now see if we can get in Park.com with the
 8 information he has?
 9 MR. MACPETE: Your Honor, I'll stipulate for the
 10 record you can use the URL he's talking about, and it
 11 gives you a printed report about what domain names are
 12 doing. It doesn't have the full functionality that the
 13 Park.com site has when you don't have the passwords. You
 14 can't change the subsets around and that sort of thing.
 15 It is a report. It has subset information but limited in
 16 its utility.
 17 BY MR. MACPETE:
 18 Q The question we want to ask you is, do you have
 19 a log-in or pass code for Park.com of any kind.
 20 A The cookie-based URL that I gave to my attorneys
 21 is what I had.
 22 Q That's all you have?
 23 A For this particular account -- I want to be
 24 clear. You asked me for other accounts at Park.com that
 25 didn't include the accounts in dispute. So for that I

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1 to dispute those issues. We agreed in the preliminary
 2 injunction. We were going to use the two lists that
 3 already existed. We have resolved most of those issues.
 4 The deleted name information that they need to
 5 determine -- And Mr. Baron, it's in this URL which you
 6 have access for these names?
 7 THE COURT: It's limited. I think Mr. Lurich or
 8 you said they could get into these monetization firms and
 9 they could look at historical documents. They could look
 10 historical information, do everything they needed to do to
 11 get the information to assess whether to undelete the
 12 names.
 13 MR. KRAUSE: I don't know that's what Mr. Lurich
 14 said, but I think my point is the deleted names that they
 15 need to be analyzing now whether they want them or not,
 16 whatever information he has they get through the URL. The
 17 pass codes that he's complaining about are for names that
 18 are not in dispute at this time.
 19 MR. MACPETE: That's not what your order said.
 20 Your order said all names on his registrar, and all names
 21 on the registrar are in dispute. May I approach?
 22 THE COURT: You may.
 23 MR. MACPETE: I want to make sure you have the
 24 full information on this what I would call crawfishing.
 25 This is from Mr. Vitullo the prior counsel. "For example,

40

1 I'm being told the Court did not order the production of
2 the log-in codes. I'm trying to reach James and Caleb to
3 verify." When I got this e-mail, those were the lawyers
4 here two Fridays ago. Obviously, they were not the ones
5 telling Mr. Vitullo that. Obviously, Mr. Vitullo is on
6 vacation. Who is he getting the information from? The
7 only other person that was in this courtroom is his client
8 Mr. Baron. So Mr. Baron after sitting here and listening
9 to your order -- explicitly log-in codes were supposed
10 to be provided -- was telling his lawyer, the one not
11 here, that was not ordered. Well, I have pass codes for
12 things that are not as issue, and I'm not going to produce
13 them, and we have him under oath, and he admitted he
14 didn't produce them. That's just with respect to part.

15 The representation was made to your Honor by
16 counsel that, Well, the only information that he's using
17 is the information for First Look and Park.com. And
18 that's just not true. The domain names -- Any domain name
19 at First Look has only been for about two or three months.
20 He took the names away from Hit Farm in violation of the
21 contract that they had with the USVI parties I think
22 sometime in March or early April of this year. And since
23 then he has moved some of the names to Park. And so when
24 they say you can get recent information, it's not most of
25 the information out there. Hit Farm has most of the

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1 information out there, and he absolutely has access to the
2 information at Hit Farm because we heard that from
3 opposing counsel in the underlying litigation. He hasn't
4 produced that.

5 In addition, he has other names. One right now
6 on his registrar Funnygames.com which is currently being
7 monetized at Domain Name Development Corporation, and I
8 have that right here, your Honor.

9 THE COURT: So for example Hit Farm, right now
10 no one is able to determine what's happening as far as the
11 financial impact of these domain names with Hit Farm,
12 correct? So no one has access. You don't have access.
13 He doesn't have access. No one has access.

14 MR. MACPETE: The names aren't monetized at Hit
15 Farm right now, but they were most of the time during the
16 underlying information. So most of the monetization
17 information on the domain names on his registrar for the
18 last three years is going to be at Hit Farm, and he had
19 that information, and he had a log-in and pass code, and
20 he hasn't turned that over, and that's obviously the most
21 important information because it's the largest set of
22 data.

23 THE COURT: So his lawyer said for some reason
24 he let this lapse.

25 MR. MACPETE: Let me talk to that also, your

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1 Honor. There was the suggestion that somehow the actions
2 of I and my client were responsible for denying him access
3 to these things. The only people we have sent cease and
4 desist letters to or sued are First Look and Park. We
5 haven't sent a cease and desist letter to Hit Farm or sued
6 them. So we have done nothing to interrupt any
7 relationship he may have with Hit Farm or Oversee or
8 Domain Name Development or any of these monetization
9 companies. So the idea that he's been locked out and
10 doesn't have something because of what we did is not true.
11 The only two we have done anything to interfere with him
12 is the two he says he has produced. May I approach again?

13 THE COURT: You may.

14 MR. KRAUSE: Your Honor, are we still having an
15 examination of Mr. Baron?

16 THE COURT: I don't think we're complete with
17 Mr. Baron yet.

18 MR. MACPETE: So let me tell you what you have
19 here. The first one is the who-is information. So if you
20 go to Mr. Baron's registrar and you want the who-is
21 information which is supposed to be public record from his
22 registrar, you will put in a name. See at the top it says
23 "who-is look up, enter domain name." You can enter the
24 domain name now and hit "find now" and you ultimately get
25 to this page that your Honor is looking at. And this page

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1 is the who-is information for Funnygames.com you can see
2 this is a name which is registered at Ondova. So this is
3 one he's got currently, right now, on his registrar, and
4 this demonstrates that.

5 The next one that you would be looking at, your
6 Honor, is this one which is actually the code that's
7 associated with the web site that appears if you go to
8 Funnygames.com and what the code indicates is that the web
9 site is being provided by Domain Name Development
10 Corporation.

11 This is a picture of the actual web site that
12 comes up when you put Funnygames.com in, and this is a
13 Domain Name Development Corporation web site. And lastly,
14 what your Honor has is the page for Domain Name
15 Development Corporation, and if you will notice at the top
16 it says "user name" and "password."

17 BY MR. MACPETE:

18 Q So Mr. Baron, can you confirm for the Court that
19 Funnygames.com is a name registered at Ondova?

20 MR. LURICH: Your Honor, may he have access to
21 the documents that Mr. MacPete has provided to everybody
22 but the witness?

23 THE COURT: He may.

24 A From this printout, it appears that.

25 BY MR. MACPETE:

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1 Q And that's a name you currently have parked at
2 Domain Name Development Corporation, don't you?
3 A I don't know.
4 Q You don't know?
5 A No.
6 Q Do you have an account with Domain Name
7 Development Corporation?
8 A I believe Ondova has an account with Domain Name
9 Development Corporation.
10 Q And you have a user name and password, correct?
11 A I believe there is a password for Domain Name
12 Development. I haven't been on that for a long, long
13 time, but I believe so.
14 Q And we go back to the order on expedited
15 discovery you were ordered to produce all the log-ins and
16 pass codes for all the names on your registrar and that
17 would include Funnygames, doesn't it?
18 A Again, now I read exactly what this is, I
19 believe it does. But at the time I didn't believe it
20 included this information. I believe that it only
21 included that the domain names in dispute.
22 Q And that's because you believe that
23 Funnygames.com is not a name in dispute, correct?
24 A I don't know that's exactly the reason for that,
25 no. But I didn't think — I didn't think the names that

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1 were at this Domain Name Development company were part of
2 the names we were talking about in this lawsuit.
3 Q In other words, you are saying that it's your
4 belief that Funnygames.com is not at issue in this
5 lawsuit, correct?
6 A I can't say exactly about that name, but I
7 believe that's the case. I can't tell something about one
8 particular name when we're talking about 650,000 names
9 registered at our registrar.
10 Q This is a special name, isn't it, Mr. Baron?
11 This one and Funnyvideos.com. You know the names, don't
12 you? They make a lot of money?
13 A I see the names, but I don't want to make a
14 comment about one name when we're talking about 650,000.
15 Q These make a lot of money?
16 A I'm not positive.
17 THE COURT: You have no knowledge that these
18 names make money?
19 THE WITNESS: I believe they do. I don't know
20 how much.
21 BY MR. MACPETE:
22 Q Isn't it true the annual revenue for those is in
23 excess of \$250,000 a year?
24 A I don't know. But if I had to guess, I would
25 say no, but I don't know.

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1 Q Is it higher or lower than that number, sir?
2 A I don't know, but I would think it's lower.
3 Q How much lower?
4 A I don't know.
5 Q And Funnyvideos and Funnygames.com, those were
6 names originally being monetized at Hit Farm, correct?
7 A I don't know.
8 Q You don't know?
9 A I just don't know.
10 Q If you don't know, Mr. Baron, who would know?
11 A If I had time to go and look at the accounts and
12 so forth, I could probably figure it out if I had enough
13 time. But I don't know just sitting here off the top of
14 my head.
15 Q But you would be the only person that would know
16 because you have been the only person in control of the
17 domain names during the underlying litigation pending;
18 isn't that right, sir?
19 A No, that's not true.
20 Q Who else at your registrar had control of these
21 domain names? Is there anybody?
22 A At our registrar, no. But I mean at the
23 companies that were controlling the monetization and
24 domain names and so forth, they would have information as
25 well. But from a registrar's perspective, we would be the

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1 only company from a registrar's perspective.
2 Q And you moved these around, haven't you?
3 A (No response)
4 Q You moved them from Hit Farm to First Look?
5 A I can't say with certainty. Just on
6 recollection, I don't know.
7 Q And then you moved some of the names from First
8 Look to Park, didn't you?
9 A From a registrar's perspective I believe we
10 changed the name servers but I can't tell you which ones
11 exactly. But sure, some have been changed to a different
12 monetization company.
13 Q And in fact, you are the one who has been doing
14 it each time they have been moved to a different
15 monetization company?
16 A Our company has. I haven't been the physical
17 person.
18 Q You are the only person at your company, aren't
19 you, sir?
20 A I'm the only employee, but there are contractors
21 and people that do other things.
22 THE COURT: So these people are acting on their
23 own. You don't have any control over them. They were
24 just over there moving things around?
25 THE WITNESS: No. There is control, but I

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1 haven't physically been the one.
2 THE COURT: I realize.
3 This is great testimony. You are supposed to
4 know everything about your company, and you register the
5 names, and you know nothing. Why should I allow you to
6 continue to run the companies? Why don't I put a receiver
7 in your place to take control of all of these matters and
8 run your company for you since you don't seem to
9 understand how it runs or who runs it or what's being done
10 with it?

11 THE WITNESS: I think it's just regarding
12 particular domain names and what's happened with them.
13 It's difficult to come off the top of my head and explain
14 what's happened to any particular name.

15 THE COURT: What about putting someone in
16 control of your companies? Putting a receiver in control
17 so that I can know that things are being done correctly?

18 THE WITNESS: I prefer that I continue to be
19 able to run the company. But what you decide to do is
20 what you decide to do.

21 MR. KRAUSE: Your Honor, may I address the
22 Court? I have proposed a discovery master to help
23 alleviate some of these issues. I'm not aware of any
24 basis to appoint a receiver for these companies. There is
25 no one making an application for that.

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1 like that overseas and different things. He has a trust
2 here in the United States. So we're not dealing with an
3 unsophisticated person here with no means.

4 THE COURT: What is your view about appointing a
5 receiver to take over these companies?

6 MR. MACPETE: I think it's probably needed
7 because he purports not to have a handle of what's going
8 on at his company. I'll be honest. I don't believe him.
9 Not for a minute. I believe on a random domain names if I
10 pick one at random he might not know that name. But I

11 don't believe he doesn't know about Funnygames and
12 Funnyvideos. They were an issue in the underlying
13 litigation, and they make great money. And with respect
14 to everything being moved, he's the one running this for

15 over three years. So I don't believe him. So to the
16 extent that's what we're dealing with, that he's going to
17 sit in that chair and say flat out, I don't know, I don't

18 remember -- My only concern about it is delay. We're on
19 the cusp of at least having the domain names or most of
20 the domain names that are supposed to be my clients'

21 business, from which we have been divorced for three
22 years, come back, and I would hate to say he wins. His
23 whole thing is delay. While he has his finger on the
24 button, he's able to exert pressure and cause damage to my
25 clients. And the one thing we want most in the world is

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1 THE COURT: There is not yet. It could be
2 suggested. I have a sense that no matter how many courts
3 are asked to issue how many orders, nothing happens. And
4 nothing is going to happen. And Mr. Baron is going to
5 continue to do what he wants to do. And I don't know what
6 the net worth of either Mr. Baron or Ondova are. I guess
7 I better ask for that information. What is your net
8 worth?

9 THE WITNESS: I don't know exactly, but I would
10 say that, you know, based on the liabilities and assets
11 it's over a million. I just don't know.

12 BY MR. MACPETE:

13 Q Mr. Baron, isn't it true that during the course
14 of the underlying litigation you were paid over 5.6
15 million dollars on the monetization of the domain names?

16 A I think some of the money you were talking about
17 went to Ondova, and obviously it was expensed. Some went
18 to the trust. But that aggregate amount was not all to me
19 that you are talking about.

20 Q Because you are distinguishing between you and
21 your trusts and your companies, correct?

22 A Sure, there is a difference, yes.

23 MR. MACPETE: Just so your Honor sees that we're
24 crawfishing here about what his real net worth is because
25 he has foreign trusts in the Cook Islands and other places

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1 to get our business back from under the finger on the
2 nuclear button.

3 THE COURT: How do you think that's best done?

4 MR. MACPETE: I have heard from Mr. Krause that
5 he's going to insure that those portions of the
6 preliminary injunction get complied with, and maybe, as I
7 naively told the court two Fridays ago, that I thought he
8 would obey a federal court order -- I guess I still have

9 some belief he's going to do what he needs to do. I
10 suppose if he doesn't, we'll be back dealing with that.

11 I'm hopeful that your Honor is going to take up the
12 process issue today and do something about the willful
13 violations of your order that maybe in the future we could
14 have more confidence he's going to obey.

15 THE COURT: Well, as far as the willful
16 violations of my order, I need a motion, and I don't have
17 a motion on that. But I am terribly concerned. That's
18 the reason I didn't continue the hearing. I'm very
19 concerned that no matter what I do, Mr. Baron is not going
20 to pay attention.

21 MR. KRAUSE: Can I address the Court on two
22 points?

23 THE COURT: Yes.

24 MR. KRAUSE: We do need a motion. I think we
25 could have been better prepared today if we had a motion.

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1 I have to address one point because I think it's impugning
2 my integrity. There was a discussion about extensions
3 yesterday. The price for that extension was almost
4 \$30,000. My client would not do that. I'd like to know
5 these Funnynames -- We have had testimony about this. Is
6 this a deleted name, one of the names you need to evaluate
7 to determine whether or not you want to restore it?

8 MR. MACPETE: No. The Funnyvideos and games are
9 not names which were deleted. We're using them to
10 exemplify for the Court that he has log-ins and pass codes
11 for names at his registrar which he has not turned over.

12 MR. KRAUSE: Those issues have passed with the
13 entry of the preliminary injunction. We split the names.
14 Friday in an e-mail -- I don't have it with me. I'll
15 provide it to the Court today. I said, "John, why do we
16 have to have this hearing? We'll get you whatever
17 discovery you need. But give us until after we comply
18 with the order. What do you need now?" That's what I
19 said and "We will work to make sure this order is complied
20 with." I can't do it myself.

21 THE COURT: I actually feel that you will if you
22 are here at the next hearing.

23 MR. KRAUSE: Yes.

24 THE COURT: And the problem is --

25 MR. KRAUSE: Sort of a receiver, why don't we

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1 defendant put \$50,000 into the trust account -- Give me
2 your name again.

3 MR. KRAUSE: Friedman and Figer.

4 THE COURT: Friedman and Figer. And it's
5 nonrefundable, and of course, your hourly rates are to be
6 applied against that fund, and when that account is
7 diminished by your rate, another \$50,000 is to go in, and
8 when that is diminished, another fifty thousand must go in
9 until the matter is resolved. I don't want anymore
10 lawyers in this case, and I do think it's instructive that
11 you worked out the preliminary injunction. I do feel that
12 shows I've got lawyers who at least understand the
13 problems. But that \$50,000 needs to go into your account
14 on July 6th. It needs to be replenished and always
15 nonrefundable.

16 By the way, you are not getting out of this
17 case. So I don't want to see any motion to withdraw. And
18 I am going to keep that trust account of yours replenished
19 until we get this done. So I need that order. You can
20 just put it on -- put that motion and order on CM/ECF, and
21 I'll sign it. It ought to be done this afternoon or in
22 the morning.

23 Also, I need the preliminary injunction to be
24 amended to give more time -- And by the way, you are
25 reaching the end of my patience here. Because I may put a

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1 set up a conference call with the Court every day and head
2 these issues off. I want to head these issues off. I
3 still feel like I'm in ambush mode.

4 THE COURT: What I think you are in is you're in
5 catch-up mode, and I do appreciate that problem. You may
6 step down, Mr. Baron, for right now.

7 MR. MACPETE: Your Honor, I have his e-mail if
8 you would like to look at it.

9 THE COURT: Let me tell you what I think we need
10 to do. The reason I had this hearing is that I am very
11 uncertain that I am going to get done what needs to get
12 done in this case, and I think there have been too many
13 judges that have said somebody else has jurisdiction or
14 control. I have the jurisdiction of the parties. They
15 are in my court.

16 First of all, I need to make sure that you stay
17 in the case. I don't want a ninth set of lawyers in the
18 case. I need money put in your trust account by
19 Mr. Baron. And I'll tell you how much money I need in
20 your trust account. I need \$50,000 in your trust account,
21 and that is nonrefundable. That's nonrefundable. When
22 that runs out, I need another \$50,000 in your trust
23 account, and again that's nonrefundable. And I need that
24 done, and I need an order, and Mr. Krause, you prepare a
25 very short order for me that it is ordered that the

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1 million dollars into Mr. MacPete's trust account very
2 shortly if this doesn't start working out. And if I don't
3 get the million dollars, then I can figure out where to go
4 from there. But I need this worked out, and my patience
5 is almost over. I've got these parties in front of me,
6 and if I have to I will take all of their money. I just
7 want you to know that. Every last dime. And you can't
8 hide money in the foreign accounts forever. And so I just
9 want you to know we need this resolved, resolved fairly,
10 so I don't have to start putting money into Mr. MacPete's
11 trust account.

12 But I will tell you that we're going to set fair
13 deadlines, and every time a deadline is missed, \$50,000
14 goes into Mr. MacPete's trust account. Every time it's
15 dismissed. A day later it goes in his trust account, and
16 it will keep going in and keep going in until this matter
17 is resolved. And that's nonrefundable. I will consider
18 that failure to abide by my orders contempt, and I will
19 have the parties in front of me, and I will tell you I'm
20 putting that money in deposit into Mr. MacPete's trust
21 account until I decide what the contempt requirement will
22 be. And I think I probably have five million dollars to
23 work with. So I will keep at it.

24 Now I want to be sure you understand what all
25 the triggers are here. So I want to find legitimate time

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1 tables to work with here. I'm not going to cut Mr.
2 Baron's head off if he really wants to cooperate. We're
3 going to use reasonable time limits. And by the way, you
4 are going to amend the injunction order, Mr. MacPete, and
5 it's going to be in there that every time a deadline is
6 dismissed \$50,000 is to be deposited in Locke Lord's trust
7 account until I consider what the final amount of the
8 contempt will be.

9 MR. MACPETE: To clarify so I understand what
10 I'm putting in there, for instance if documents were
11 ordered last Tuesday at four o'clock, just as an example,
12 we don't get documents on Tuesday, it's \$50,000 on
13 Wednesday. If we don't get documents on Wednesday, it's
14 \$50,000 on Thursday?

15 THE COURT: Yes, \$50,000 every time he doesn't
16 comply. And if he doesn't put the \$50,000 in, we'll come
17 into court. I want you to file a motion for contempt, and
18 we'll talk about civil contempt. But I have not only
19 powers of dollars, I have powers of jail, detention. And
20 so you know, I just want -- I want everybody to get this
21 done. I don't want Mr. Baron to have to pay \$50,000
22 anywhere. He is going to have to pay it to you, Mr.
23 Krause, but I don't want him to have to put any money
24 anywhere. I want it over and done. And I am going to
25 monitor it. If people say "I don't want to do it," that's

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1 MR. MACPETE: They said it was a short period of
2 time. We talked about moving deadlines from today to
3 Monday of next week.

4 THE COURT: Back to that question, VeriSign.
5 How long can I extend them? I don't want to just keep --
6 Every time I have to put another \$50,000 in your account.
7 I don't want to put another order to VeriSign. So do you
8 have another thirty days?

9 MR. MACPETE: I think that's way too long, and I
10 didn't get a specific number of days out of the VeriSign
11 counsel, but my understanding was it could be extended a
12 few days, not another couple of weeks or thirty days. So
13 I think what we were proposing to do is move the VeriSign
14 deadline from July 7th to July 13th. I mentioned that to
15 the VeriSign in-house counsel, and he didn't seem to think
16 that was problematic. At least he didn't scream and
17 holler. And that would be okay and that would resulted in
18 the deadlines due today for Mr. Krause's client, and my
19 clients would be extended to next Monday.

20 MR. KRAUSE: I would propose that all the
21 deadlines get moved a like period. That's not a full
22 week. It's basically five days, and if we have the
23 VeriSign date out thereafter, that --

24 THE COURT: I'm not sure I understand what you
25 are saying.

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1 fine. It just costs money. It's going to cost a lot of
2 money before we're over.

3 MR. MACPETE: Back to my practical problem, your
4 Honor, you said we want to modify the dates in the
5 preliminary injunction. What I had talked to Mr. Krause
6 yesterday was extending the deadlines by essentially a
7 week.

8 THE COURT: Well, let me tell you. You tell me
9 realistically what you can get done here and what time.
10 But it's all the pass codes, all the access codes, all the
11 log-ins of every monetization firm that has ever been
12 dealt with. I don't care if it involves any of these
13 domain names. I don't care. It's every pass code, log-in
14 that he has ever dealt with anywhere, any time. Period.
15 And I don't care what domain names it includes. Even if
16 it doesn't include Mr. MacPete's names, he's still got to
17 do them. That's where we are on that. I don't want it to
18 be those domain names or these domain names. It's
19 everything.

20 Now, Mr. Krause tell me -- You know, I'm asking
21 you to give me something that's reasonable but not three
22 weeks from now.

23 MR. KRAUSE: I think if we extend the deleted --
24 John, how long can we order to extend that period of time
25 on VeriSign?

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1 MR. KRAUSE: I propose we move all the dates a
2 week.

3 THE COURT: In other words, your date to comply,
4 his date, they all move back?

5 MR. MACPETE: Your Honor, I don't agree with
6 that -- Let's go over what the dates are -- because what
7 he's worried about or what he's been saying he's worried
8 about is his ability to develop what we're calling the
9 protected names list. He gets to pick ten percent of the
10 names in his pile and say these are protected and they
11 can't be subject to this random grab, if you will, under
12 the preliminary injunction order. And that's what he's
13 been having trouble getting done, and that's what we're
14 talking about extending to next Monday. But there are
15 other deadlines in the preliminary injunction. For
16 instance, the distribution of money from some of the third
17 party monetization companies, those are different
18 deadlines. There is a deadline for Mr. Baron to account
19 for monetization revenues he has received after the
20 settlement agreement. There is no reason for those
21 deadlines to be changed by what we're talking about here
22 today.

23 THE COURT: When are those deadlines?

24 MR. MACPETE: The Hit Farm money was supposed to
25 be distributed fifty-fifty this Monday. There was a

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1 wrinkle with respect to that because it turns out that Hit
2 Farm took the money and paid it into the registry of the
3 state court. Mr. Krause and I are currently trying to
4 negotiate how we're going to deal with that problem, and
5 essentially what it boils down to is there is a claim by
6 Hit Farm's counsel for their attorneys' fees, and we're
7 having a discussion about how that issue is going to be
8 dealt with because normally under Texas law if you're the
9 unsuccessful client and the interpleader you are
10 responsible for the fees. So I have asked Mr. Krause to
11 agree that when that money is distributed the attorneys'
12 fees would be paid to Mr. Cantner by Ondova.
13 THE COURT: How much are the fees?
14 MR. MACPETE: \$17,536.
15 THE COURT: How much money is in the registry?
16 MR. MACPETE: \$500,00.
17 THE COURT: Get the money out of the registry
18 and pay the fees. I'll figure out eventually who has to
19 pay the fees. I will figure out who pays.
20 MR. KRAUSE: Your Honor, I don't really care
21 about the orders to the nonparties. Those are not the
22 dates. But given the penalties that apply, we have a
23 deadline I think Friday to point their 300,000 names.
24 Just the volume is significant. That's why we're asking
25 to move all the deadlines a week.

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1 MR. MACPETE: That's the one deadline we
2 absolutely do not want moved, and that's because that's
3 actually getting the ability to control our domain names
4 and to have the monetization revenue start to come to my
5 clients. That is a critical deadline. And not
6 withstanding the fact that we're talking about 300,000
7 names, when Mr. Baron hijacked the portfolio back in 2006
8 he took all 700,000 names we had at that time, and in 24
9 hours took them down and sent them somewhere else. So
10 he's absolutely capable of doing this in a very quick turn
11 around when he wants to. He doesn't want to give up
12 control of our names, and this is more of the delay we
13 have been experiencing all along. That's absolutely a
14 deadline my clients don't want moved, and it's not fair
15 that we would be punished essentially because he has
16 failed to comply with Court orders and created this
17 problem. But then my clients are going to be punished
18 because it's further delay on them getting control of
19 their names back.
20 THE COURT: Okay. I will micromanage this.
21 Let's go down the dates starting from the beginning.
22 MR. MACPETE: Today at noon Mr. Baron is ordered
23 to provide the list of protected names. That gets moved I
24 would propose to next Monday, July 6 at noon.
25 THE COURT: Okay. What's your response to that?

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1 MR. KRAUSE: We would like until Wednesday on
2 that if we can have it.
3 THE COURT: This is going to be easy. I am
4 going to make it July 7 at noon.
5 MR. LJURICH: Your Honor, may I ask for one
6 clarification? This ten percent thing, Mr. Krause
7 explained to the Court this process that we're doing to
8 compensate the plaintiffs for any deleted names that came
9 off their list, and the process that we agreed to was my
10 client would get to designate ten percent of his names
11 that are protected. In other words, that won't be picked
12 by the plaintiffs. And so because of the difficulty in
13 compiling this information, if he doesn't comply it only
14 hurts him. So if he doesn't give them ten percent
15 protected names by July 7 -- he only gives them nine
16 percent -- that shouldn't count as a missed deadline
17 because he's already penalizing himself ten percent of the
18 names.
19 MR. MACPETE: I agree. If he gives us something
20 less than ten percent, that's obviously his call.
21 THE COURT: That's fine. July 7 at noon and
22 that will not be part of the \$50,000 into the trust
23 account at Mr. MacPete's firm.
24 MR. MACPETE: The next deadline, your Honor, is
25 today at 5:00 p.m. which is for my clients to provide the

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1 restore list. That's the list of names which should be
2 undeleted.
3 THE COURT: Okay.
4 MR. MACPETE: And I would propose consistent
5 with the way this was scheduled before that you would move
6 that to July 7th at 5:00 p.m.
7 THE COURT: Any response from you, Mr. Krause?
8 By the way, are you telling me in a very few
9 days both sides will split \$500,000 less \$17,500?
10 MR. MACPETE: Yes, sir.
11 THE COURT: All of that money -- I am going to
12 change my order. All of that money goes into your trust
13 account, \$250,000 or whatever. It all goes in your trust
14 account, Mr. Krause.
15 MR. MACPETE: You mean all of his half?
16 THE COURT: Less the attorneys' fees. And that
17 all goes into your trust account. That is a nonrefundable
18 fee. That \$240,000 is a nonrefundable fee. So if Mr.
19 Baron wants to fire you, you just made \$240,000. But if
20 this matter is successfully concluded, then you take
21 your -- By the way, you bill against that every month.
22 You bill against that every month and take money out every
23 month, and if this matter is successfully concluded, then
24 Mr. Baron gets what's left. So that should be an order
25 you prepare. E-mail it to Mr. MacPete and make sure he

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1 doesn't have a problem with it. And then put it often
2 CM/ECF, and I'll sign it. Tell us the case number and
3 what's there and be specific about it. All that money
4 then goes into the trust account of your firm, Mr. Krause,
5 and if Mr. Baron wishes to hire another lawyer, that's a
6 nonrefundable fee. You get the whole thing. If the
7 matter is successfully concluded in this Court, he is
8 returned whatever is left after you bill against it every
9 month, and hopefully, that will only be a month or month
10 and a half.

11 MR. KRAUSE: That's in lieu of the \$50,000.

12 THE COURT: That's in lieu of the \$50,000.

13 MR. MACPETE: Okay. Your Honor, Paragraph 5K
14 was the deadline for my clients to provide the restore
15 list which would be July 7th at 5:00 p.m.

16 THE COURT: That's the restore list?

17 MR. MACPETE: That's correct, your Honor. The
18 next decline is this Thursday at 3:00 p.m. for the parties
19 to present the VeriSign order to the state court. I think
20 we have been working on that cooperatively, and it's going
21 to happen early.

22 THE COURT: That won't be changed. Mr. Krause,
23 you agree you can get that done?

24 MR. KRAUSE: Yes, that's fine.

25 THE COURT: The next one after that would be

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1 sends them out, not you.

2 MR. MACPETE: We give him a list, and then he
3 has to change the address.

4 THE COURT: You give him the list on July 3.

5 MR. MACPETE: Thank you.

6 THE COURT: You'll use that list when you have
7 your list on July 6.

8 MR. LURICH: Since July 3rd is a holiday, may we
9 have it on July 2?

10 THE COURT: July 3rd is a federal holiday.

11 MR. MACPETE: We're going to be working on that
12 day, and now he's trying to limit our time basically to
13 get the list done.

14 THE COURT: July 3 is fine. Somebody has to
15 stay at the office on Friday. Will that be you, Mr.
16 Krause?

17 MR. KRAUSE: Probably, your Honor.

18 THE COURT: I figured it would be you. Just a
19 guess.

20 MR. MACPETE: The next deadline is currently set
21 for this Thursday at 5:00 p.m., and we would provide the
22 deletion number and the list of Ondova deleted names.
23 This is something that keys off his protected name date,
24 and so if his protected name date is moving to July 7th,
25 this date ought to move to July 8.

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1 this coming Thursday at 5:00 p.m. And this is where my
2 clients will be identifying the name servers to which our
3 domain names are to be appointed by the registrar Ondova,
4 and we would keep that deadline the same because we want
5 to keep the next deadline which is he has to point to our
6 names by next Friday.

7 THE COURT: These are the 300,000 names?

8 MR. MACPETE: That's correct.

9 THE COURT: Mr. Krause.

10 MR. KRAUSE: I think those are the ones we
11 really would like at least a little time on.

12 THE COURT: I'll give you the weekend. July
13 6th. Was it 5:00 p.m., Mr. MacPete?

14 MR. MACPETE: Yes, sir, your Honor.

15 THE COURT: 5:00 p.m.

16 MR. MACPETE: So I guess on that one, your
17 Honor, we would have until Friday the 3rd then to provide
18 the list of what he's supposed to have pointed out?

19 THE COURT: Yes.

20 MR. LURICH: Did we change the name?

21 THE COURT: No. I changed the name. They are
22 to give you the 300,000 names by July 6.

23 MR. MACPETE: We have to tell them where they
24 are supposed to go.

25 THE COURT: In other words, he's the one that

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1 THE COURT: Okay. July 8.

2 MR. MACPETE: In addition, there are two other
3 deadlines currently set for Thursday related to that same
4 randomization process. So they should move to July 8.

5 THE COURT: They will.

6 MR. MACPETE: Then the next deadline we have
7 would be for next Tuesday, July 7 at 5:00. The defendants
8 and VeriSign would restore the undelete names. Given that
9 we're not going to provide a restore list until July 7,
10 the natural movement for that date would be July 15th, and
11 I think that's probably fine with VeriSign.

12 THE COURT: Okay. We'll do July 15.

13 THE COURT: Mr. Lurich.

14 MR. LURICH: This is the deadline that has been
15 some concern for my client, trepidation for my client.

16 When we entered the order, Mr. MacPete assured us he would
17 lend us his employees, the programmers to assist in this
18 process. The way I understand is VeriSign makes this
19 restore process very cumbersome in order to dissuade
20 people from deleting names and going back and restoring
21 them. We spoke to Mr. MacPete about getting VeriSign to
22 ease that process, but we have no assurance they are going
23 to do that, and it's largely a manual process of preparing
24 reports for each individual name that needs to be

25 restored. So if VeriSign is going to extend the deadline,

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1 we would like a little more time to complete this process
2 because this potentially is a monumental task.
3 MR. MACPETE: We're extending VeriSign out about
4 as far as we can. I have told them my people will assist.
5 I don't know that we can effectively assist because we're
6 not familiar with his systems. But I said whatever help
7 we can provide we will be willing to provide, and part of
8 the reason my two clients are still here is I have held
9 them here in Dallas to provide that assistance. At some
10 point they need to go home. They have been here two weeks
11 as a result of this preliminary injunction and things, and
12 it's obviously very expensive and disruptive of their
13 lives. Mr. Baron lives here, and my clients live in
14 California.

15 THE COURT: I understand.

16 MR. MACPETE: But we said we would help them the
17 best we can. And I understood from one of the counsel
18 that they thought this process may be automated by a
19 fairly easy program being written. And I have some
20 talented programmers. So I'm hopeful that we can work
21 together in that process.

22 THE COURT: Well, let's work together. It
23 doesn't do anybody any good not to get this thing done.
24 By the way, no money is -- None of that \$240,000 is to be
25 given back to Mr. Baron until further order of the Court

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1 because if there is substantial programming assistance
2 needed, the cost of that I will have to consider. But
3 let's work together.

4 MR. MACPETE: We didn't ask them for any
5 compensation for that. We want to get this done in the
6 spirit of cooperation and without asking for a charge.

7 THE COURT: I want to get this done.

8 MR. MACPETE: The last two deadlines, your
9 Honor.

10 MR. LURICH: What did we decide about that
11 deadline?

12 THE COURT: We're going to keep it.

13 MR. LURICH: The 15th?

14 THE COURT: Yes, so everybody gets to work.

15 MR. MACPETE: The last two deadlines are
16 currently scheduled for this Wednesday, and what they are
17 is the parties are supposed to jointly direct all of the
18 third-party monetization companies who may be currently
19 getting money or holding money related to these domain
20 names to essentially pay that money out fifty percent to
21 each of the parties.

22 THE COURT: That should not be --

23 MR. MACPETE: There is no reason to delay that.
24 That's probably an e-mail or letter.

25 THE COURT: All the money that would go to Mr.

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1 Baron goes into his law firm's trust account, and that
2 again will be a part of a nonrefundable fee, Mr. Krause,
3 if you get fired. So whatever that money is, it all goes
4 into your trust account. If it's a million dollars -- I
5 would hope it's a bunch of money -- you hold it in your
6 trust account, and it is again a nonrefundable fee or to
7 be used in other ways that the Court directs.

8 MR. KRAUSE: What I'm understanding is we may
9 have to pay some renewal fees, and I guess we just let the
10 Court know.

11 THE COURT: Correct. Your request to call me
12 every day is fine. Coordinate it with Mr. Frye. But
13 we're not calling to change dates. We're calling to make
14 sure that I understand the problems. So do you understand
15 all the money that comes to Mr. Baron from all the
16 monetization firms goes into your trust account to be held
17 either as your nonrefundable fee or as the Court directs?
18 And what can be taken out of that, out of your trust
19 account, can be your monthly legal fees. But that's all
20 that can be taken out of that account.

21 MR. MACPETE: The last deadline which hasn't
22 passed yet, your Honor, is also for this Wednesday, and
23 this is the defendant to provide an accounting of any of
24 the monetization revenues which they have received after
25 the settlement because those monies are all supposed to be

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1 split fifty-fifty, and there is a accounting true up, if
2 you will, at the preliminary injunction. I don't see any
3 reason why that should be extended either. He knows what
4 he has gotten. It should be fairly easy to admit what he
5 has gotten.

6 THE COURT: Mr. Krause.

7 MR. KRAUSE: Because of the other deadlines, to
8 push that.

9 THE COURT: What is that deadline date?

10 MR. KRAUSE: I think it's the 8th.

11 THE COURT: You are going to get that
12 information, but I am going to make that July 13th. That
13 way everybody can keep working over the weekend.

14 MR. MACPETE: Thank you, your Honor. Now, with
15 respect to other things which have passed, if you will,
16 two things. There was an order in the preliminary
17 injunction that all the who-is related documents would be
18 imaged by this third-party imaging company. That didn't
19 happen. What we got were two documents. But I don't have
20 any of the CSV files that went to Iron Mountain. None of
21 those were imaged. None of the images we showed you of
22 the specific page for Funnygames, we don't have any of
23 that. So basically everything that was supposed to be
24 imaged was not, and I think we need a new date about that.

25 MR. LURICH: Your Honor, the order says create

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1 an image of records and documents related to who-is
2 information. As I understand what the plaintiffs are
3 complaining about is historical information wasn't
4 provided, and I don't know whether it's been explained or
5 not, but it took me several days to figure out this who-is
6 information is a living thing. It's updated and changes,
7 and we have orders in place to make sure that doesn't
8 happen. But when we talked about this issue, it was we
9 need a snapshot of what this information is right now, and
10 that's what we agreed to image.

11 THE COURT: Has that been done?

12 MR. LURICH: This information, this Budgetnames,
13 what this is, is a display on a monitor, and it comes up
14 just like this. This isn't a computer forensic image like
15 we talked about doing. You hit print screen and print
16 this out. This is publicly available to anybody who wants
17 to access this information. Mr. MacPete can do this
18 today. What we provided him was the source information
19 for this data, and we gave it to him in two forms, and the
20 reason was you have heard a lot of talk about that there
21 was this origination date missing from the information.
22 Well, the way my client uses the who-is information and
23 the who-is information that my client sends to Iron
24 Mountain in accordance with its obligation doesn't include
25 the creation date or origin date. That's the way we

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1 imaged the file, the way it is. That's the way we use it,
2 and that's the way it's set up for us to access. We knew
3 from speaking with Mr. MacPete they wanted this origin
4 date. So my client had another program implemented that
5 included the origination date, and we provided that
6 information. A third-party company, Protegra, undertook
7 this and did it. So now they are saying we want
8 historical information, but that's not what was ordered.
9 I understand they want it. That's something different.

10 MR. MACPETE: Your Honor, may I approach?

11 THE COURT: Well, talk to me. At some point you
12 guys get beyond my meager capacity to understand.

13 MR. MACPETE: What I wanted to give you, your
14 Honor, is a copy of the preliminary injunction because I
15 disagree with Mr. Lurich about what was actually ordered.

16 THE COURT: Okay.

17 MR. MACPETE: Turn to the top of Page 3, your
18 Honor. Actually the bottom of Page 2 and top of Page 3.
19 It says "Defendant shall engage a third-party service to
20 create an image of all the defendants' documents and
21 records relating to who-is information or any domain names
22 that have been registered at Ondova."

23 THE COURT: The bottom of Page 2 has a Paragraph
24 2, correct.

25 MR. MACPETE: Correct, your Honor. Very last

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1 line.

2 THE COURT: Okay.

3 MR. MACPETE: "Defendant shall engage a third"
4 -- and Page 3, "third party service to create an image of
5 all the defendant's documents and records relating to
6 who-is information or any domain names that have been
7 registered at Ondova." It wasn't limited to this one
8 file. It's clear it's supposed to be all the documents
9 that relate to who-is. That includes the CSV text files.

10 THE COURT: If he's got them, he needs to give
11 them to the third-party imaging service, right.

12 MR. MACPETE: And the document that comes up
13 when you go to his web site, that's obviously a file. It
14 exists electronically, and it should have been imaged.
15 None of it has. So we haven't had full compliance with
16 this particular order. He has given us some, what he
17 wanted to give us, and not the other stuff, and I need the
18 historic text files. Remember, I said I needed three
19 things. The way to check if what he has provided is
20 accurate is to look at the historic snapshot as they went
21 out to the escrow companies, and my people can look at
22 that and figure out how many he deleted.

23 THE COURT: And that information is where?

24 MR. MACPETE: Electronically on his server
25 because he sends it every week to Iron Mountain.

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1 THE COURT: As another opportunity, can we pull
2 everything off his servers.

3 MR. MACPETE: I was going to suggest that, your
4 Honor, because since we're having such a problem with what
5 he wants to produce -- I'm not saying it's the lawyers.
6 He interprets the law as he wants to and that sort of
7 thing. I think we ought to image his computers and
8 servers and that way we don't have anymore monkey business
9 because it's all there and can't be deleted.

10 MR. LURICH: We can gift him the historic data
11 sent to Iron Mountain. That's not what I understood we
12 were asking for. With respect to this document, this
13 isn't information maintained in this form. I understood
14 Mr. MacPete was able to print this off the computer. They
15 have hit print screen and got this off. But my client
16 doesn't maintain information like this. My client
17 maintains the source information which we imaged and
18 provided.

19 THE COURT: I have had so many hearings lately
20 where we put things in a confidentiality order. Do we
21 have one in this case?

22 MR. MACPETE: Yes, sir.

23 THE COURT: You're going to image his servers,
24 the entire servers, whatever it is, and that way I don't
25 have to worry about arguing about it.

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1 MR. MACPETE: And that includes the computers as
2 well as the servers?

3 THE COURT: Whatever it is.

4 MR. KRAUSE: I understand doing that to preserve
5 the record, but that will have a lot of personal
6 information, personal financial information. What are we
7 doing with all of that?

8 THE COURT: Well, I will just tell you, this is
9 what they at the FBI and DEA when they are going to have
10 their wire taps. They minimize. So you are going to
11 minimize all personal information. If the FBI and DEA can
12 do it, you can do it. Any personal information gets
13 minimized which means it's blocked out. So if you see
14 something that looks personal, you block it out. But I
15 can't keep doing this. It gets way too complicated. If
16 you want me to, I can get a third party.

17 MR. KRAUSE: Who's doing the minimizing?

18 THE COURT: Be Mr. MacPete's people. If you
19 want me to, I can have somebody else.

20 MR. KRAUSE: I think at this point we would
21 rather foot the bill for a third party to do that, a
22 master or somebody.

23 THE COURT: Okay. You guys choose within the
24 next 48 hours. By noon -- say 4:00 on the 3rd all of Mr.
25 Baron and his company's servers and computers will be

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1 imaged, and you guys choose the third party to do it, and
2 then Mr. MacPete -- Yes.

3 MR. LURICH: The servers are remote servers.
4 They are not local, and I understand they are in more than
5 one place. So I think we probably would request of the
6 court to have this by at least Monday. I don't know that
7 we can coordinate all of those separate imagings.

8 THE COURT: Okay. 4:00 Monday the 6th. You
9 guys agree today to a third party to do all of this, and
10 Mr. MacPete will have access, and the third party can
11 minimize personal information.

12 MR. MACPETE: And that's at his cost.

13 THE COURT: His cost. The law firm will be
14 getting money that they can pay out of their funds and
15 make sure it gets done, and they will be putting money in
16 their trust account, and that goes against that. That way
17 I don't have any problem. I don't have any problem with
18 \$50,000. You've got everything. So you guys choose who's
19 going to be the third party. I wouldn't know. And if you
20 can't choose, talk to me.

21 MR. MACPETE: The last thing I need, your Honor,
22 remember we started with basically three things. I need
23 the CSV text files, the reports he relied on when he was
24 deciding what to delete, and I need the log-in codes, and
25 if I could have a specific date in time when I'm supposed

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1 to get that, and obviously it needs to be fairly quickly
2 because, remember, you only moved my deadline to Monday.

3 THE COURT: July 3 you get all the log-in codes.
4 I don't care what domain names are going to what
5 monetization companies, you just get them out.

6 MR. MACPETE: Can I have on July 3 the CSV text
7 files and the reports he relied on in deciding what to
8 delete? Those are the three pieces of information my
9 people need to --

10 MR. KRAUSE: The text file is part of this
11 global imaging.

12 THE COURT: Okay, you will get those on the 6th.

13 MR. MACPETE: I am going to get those literally
14 an hour before I'm supposed to have my list.

15 THE COURT: Explain that to me again.

16 MR. MACPETE: We need the CSV text files to
17 figure out whether we have a delete list, and under your
18 Honor's current order on the image --

19 THE COURT: Request I move some other deadlines
20 then? You know, I can't work miracles. I am dealing with
21 people that need some time, and if I am going to remote
22 servers, I have to take time.

23 MR. MACPETE: I don't need an image. These are
24 electronic files. He ought to be able to go and download
25 them on a CD right away.

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1 THE COURT: Every time you tell me that, it
2 doesn't work. You tell me that he doesn't give it to you.
3 So I'm telling you, you are telling me it should be easy
4 to do. The next thing is he doesn't know where it is. He
5 can't image it, can't find it.

6 MR. MACPETE: Can we actually see what he has to
7 say about that, your Honor? I'm willing to hear if
8 somehow we're all wrong about how easy it ought to be for
9 him to download that on a CD.

10 MR. LURICH: A suggestion, your Honor. We
11 provide these text files that have been sent to Iron
12 Mountain weekly, and with respect to the imaging, have the
13 imaging as a fail safe. Let's complete it. Give the
14 people more time to do it and they keep it. I don't want
15 it, and I don't want Mr. MacPete to have it unless there
16 is an issue of what's been produced, and then your Honor
17 can order that third-party company release that
18 information. But we'll get it done, but let's keep it
19 protected because I don't know what's on it.

20 THE COURT: Okay. We're all agreed, nothing,
21 absolutely nothing is going to be deleted from the servers
22 and the computers. Sip, zero, nothing is going to be
23 done. No confusion. Nothing deleted. No personal
24 information. No nothing. Have we reached an agreement on
25 this then that he's going to give you the stuff on the

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1 3rd? He'll give you on the 3rd and if you think it's
2 incomplete you can check it with what you get on the 6th.
3 MR. MACPETE: I'm okay with them taking longer
4 to get the things imaged as long as I get the things I
5 need on the 3rd. I don't agree I shouldn't get the image,
6 but if they need more time.

7 THE COURT: I have given them to the 6th.
8 MR. MACPETE: So the three things I'm getting on
9 the 3rd, I want absolute clarity: All the log-in codes
10 and passwords for all the companies at any time. Text
11 files he sent to Iron Mountain, historic ones. So that I
12 can backtrack his delete list. And all the reports or
13 recommendations or whatever he used to decide what domain
14 names to delete. And I'm getting all of that by July 3rd
15 at noon?

16 MR. KRAUSE: I guess the issue we may need to
17 clarify is the log-in codes we don't have. I don't know
18 how we're going to get those.

19 THE COURT: Why do you not have them?

20 MR. KRAUSE: They are names that other companies
21 were monetizing on our registrar that we don't have
22 control of, and I don't know if we can come up with a list
23 of those and figure out what everybody can do to get
24 those.

25 MR. MACPETE: I got a list of companies, your

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1 5:00. If we could have 5:00.

2 MR. MACPETE: 5:00 is fine and my clients
3 identified one further company. Sedo.

4 THE COURT: Okay. So you guys have to draft me
5 an amended preliminary injunction with these new dates,
6 and you are going to have to put in there the \$50,000
7 penalty per day.

8 MR. MACPETE: We will do that and file the
9 motion your Honor requested with respect to the previous
10 violations.

11 THE COURT: You may file that. I will hold that
12 in abeyance. If you can get this whole thing settled, I
13 will figure out where to go from there. But I want it
14 resolved. You owe me an order, Mr. Krause, on all the
15 money from all the monetization firms going into your
16 account. The money will go for your fees but will not be
17 distributed otherwise, except by order of the Court. And
18 if for any reason you are fired or released, then I will
19 determine where that money goes, but it will be -- it will
20 be the case that most of it will be a nonrefundable fee.

21 THE COURT: Do you wish to speak, Mr. Lurich?

22 MR. LURICH: Yes, your Honor, one last thing.
23 We have talked a lot about the documents that plaintiffs
24 need from the defendants. The order on expedited
25 discovery didn't address documents coming from plaintiffs

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1 Honor, that have monetized on the domain names that are at
2 issue here, and I can read that list into the record right
3 now. I'm not sure that's everything, but you know,
4 obviously he hasn't produced everything. So what I'm
5 worried about -- What I hear Mr. Krause saying is there
6 are these 500 third-party customers and maybe they have
7 their named parked somewhere and he doesn't have access to
8 them. Obviously, I don't think it's reasonable for them
9 to demand that information from third parties. That's not
10 what I'm looking for, but I'm worried it's going to be
11 used as an excuse to hide information he doesn't want
12 produced. So let me tell you the companies that have
13 monetized on our names, the ones at issue here:
14 Above.com, Domainsponsor, eNom, Fabulous.com, Hitfarm,
15 Name Drive. And obviously, we have already talked about
16 Park.com.

17 THE COURT: What was the third one?

18 MR. MACPETE: eNom.

19 THE COURT: E-n-o-m?

20 MR. MACPETE: Yes.

21 THE COURT: Okay. Mr. Krause, those need to be
22 produced, the passwords and so forth, pass codes, by noon
23 on the 3rd or a detailed explanation needs to be given as
24 to why they can't be produced.

25 MR. KRAUSE: Okay. I think we were hoping to

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1 to defendants, and in reviewing the transcript I
2 understand the plaintiffs were agreeing to produce a bunch
3 of documents that haven't been produced. So we need all
4 of that information as well so that we can all get on the
5 same --

6 MR. MACPETE: No problem giving it to them.

7 THE COURT: I've looked at the matters you
8 presented to me in camera. Those are not going to be
9 produced. Mr. Frye has them, and they will be returned to
10 you. I have looked at them, and I don't find them to be
11 appropriate or relevant for production in this case.

12 MR. LURICH: Can we get a date certain that
13 plaintiffs will produce their information?

14 THE COURT: Mr. MacPete.

15 MR. MACPETE: I'm happy to do it by Friday at
16 5:00.

17 THE COURT: 5:00 the 3rd. Okay. Now, I want
18 this transcript ordered and paid for by the defendants.
19 So we will have that available for us, but it will also be
20 supplemented by the orders I sign. And if there is any
21 disagreement between what we have said here today and what
22 the order says, we'll go by the written order, but you
23 will have the transcript that the good court reporter will
24 have available for you. But this will be at the expense
25 of the defendant, not the plaintiff.

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1 Now, my goal here is to get this over. You
 2 know, it's just been going on way too long and in way too
 3 many courts. So my goal is to get it over. The
 4 plaintiffs have their share of the domain names and
 5 Mr. Baron keep his share of domain names and you all go
 6 about your life. And that's my goal. There should be no
 7 reason why that can't be done. No reason whatsoever.
 8 Then Mr. Baron is out from under my jurisdiction, and he
 9 can go do his business how he wishes, and the plaintiffs
 10 can do their business as they wish. But I'm deadly
 11 serious. If we don't get it done, it's going to cost I
 12 think Mr. Baron lots and lots and lots of money, and I do
 13 think that I'm dealing with about five million dollars
 14 here, and I think that would be an appropriate starting
 15 point for a contempt if this thing doesn't get done. And
 16 so you know if we don't want to get it done, then it will
 17 cost lots of money. If we do get it done, you all can go
 18 about your business, and Mr. Baron can keep his money, and
 19 the plaintiffs can keep their money, and people can go
 20 have a good life. But to leave this thing pending in five
 21 jurisdictions with lawyers running around trying to do
 22 things, you know, every day is just not going to work. So
 23 you all just need to be rid of each other, and it needs to
 24 be over, and you need to go and have a good life. You are
 25 not going to have a good 4th; it's clear. But your

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1 would think the parties would want to sit down and talk
 2 about not only how to resolve the split, the divorce, but
 3 how to resolve the rest of their issues.

4 MR. MACPETE: And we're willing to do that, your
 5 Honor.

6 THE COURT: In fact, I may send you to a
 7 mediator if you don't do it.

8 MR. MACPETE: That would be great, your Honor.
 9 Last thing is with respect to extension of the redemption
 10 grace period to VeriSign, we would ask the Court if I
 11 could submit a separate order just about that subject so
 12 that we can give it to VeriSign and say here is the order.

13 THE COURT: You may. Run it by Mr. Krause and
 14 Mr. Lurich.

15 MR. MACPETE: I will do that. We appreciate
 16 your time.

17 THE COURT: This ought to be in the essentials
 18 fairly simple to do, and let's get it done, and if you
 19 want to talk about damages, you are going to have to
 20 mediate this case for about ten weeks before you come back
 21 to me, just to let you know that.

22 MR. MACPETE: We have a lot of experience with
 23 mediating for longer than that with the defendants. But
 24 we didn't ultimately get a deal. So anyway, thank you.

25 THE COURT: Mr. Lurich.

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1 Independence Day for both sides could be coming shortly,
 2 and you will be independent of me.

3 MR. MACPETE: Your Honor, we appreciate the
 4 Court's help in essentially effectuating the split of
 5 these two parties. I would not want to mislead the Court
 6 that we have other causes of action because we have been
 7 damaged by the defendant's failure to comply with the
 8 settlement agreement. So I don't think the case ends when
 9 we get the split, but that obviously goes a long way
 10 towards getting what we need done.

11 THE COURT: Let me tell you, the other cases are
 12 residing in other courts, and I may let other courts
 13 handle the damages issues. I am going to get this done.
 14 I am going to get the parties separated and on about their
 15 lives, and you guys can litigate the rest of your lives if
 16 you wish to. And we have a fine state judge in Judge
 17 Hoffman sitting over there on top of this case.

18 MR. MACPETE: The underlying cases have been
 19 settled. So the damages on the breach come out of the
 20 settlement in this court. There are other issues, but
 21 obviously the big one you have identified is, first, we
 22 need to get separated, and we can figure out what happens
 23 after the smoke clears.

24 THE COURT: You know, at some point you don't
 25 want to be crazy about the litigation. At some point I

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1 MR. LURICH: Thank you, Judge.

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CERTIFICATION

I, Cassidi L. Casey, certify that during the proceedings of the foregoing-styled and -numbered cause, I was the official reporter and took in stenotypy such proceedings and have transcribed the same as shown by the above and foregoing pages 1 through 88 and that said transcript is true and correct.

I further certify that the transcript fees and format comply with those prescribed by the court and the Judicial Conference of the United States.

s/Cassidi L. Casey

CASSIDI L. CASEY
UNITED STATES DISTRICT REPORTER
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION
CSR NUMBER 1703

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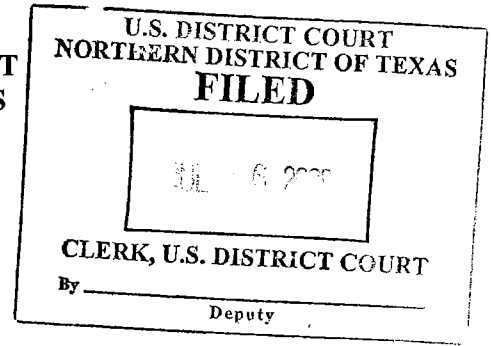
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 <Y>

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



NETSPHERE, INC., et al.,

Plaintiffs,

vs.

JEFFREY BARON, et al.,

Defendants.

§
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§

CIVIL ACTION NO.
3-09CV0988-F

AMENDMENT TO PRELIMINARY INJUNCTION

Having considered all arguments of counsel at a hearing on July 1, 2009, the Court hereby amends and supplements its Preliminary Injunction issued in the above-entitled matter on June 26, 2009 as follows:

Paragraph (2) is amended to delete the date "July 9, 2009" in both places it appears in the first sentence and insert in its place the date "July 15, 2009."

Paragraph (4) is amended to delete the date "July 2, 2009" in the second sentence and insert in its place the date "July 3, 2009" and to delete the date "July 3, 2009" in the third sentence and insert in its place the date "July 6, 2009."

Paragraph (5)(a) is amended to delete the date "July 1, 2009" and insert in its place the date "July 7, 2009."

Paragraph (5)(b) is amended to delete the date "July 2, 2009" and insert in its place the date "July 8, 2009."

Paragraph (5)(c) is amended to delete the date "July 2, 2009" and insert in its place the date "July 8, 2009."

Paragraph (5)(d) is amended to delete the date "July 2, 2009" and insert in its place the date "July 8, 2009."

Paragraph (5)(e) is amended to delete the date "July 1, 2009" and insert in its place the date "July 10, 2009" and to delete the date "July 7, 2009" and insert in its place the date "July 15, 2009."

Paragraph (6) is amended to delete the date "July 2, 2009" in the third sentence and insert in its place the date "July 6, 2009" and to delete the phrase "50% to the Defendants' designees" in the third sentence and insert in its place the phrase "50% to the trust account of Friedman & Feiger on behalf of Defendants." Paragraph (6) is further amended to delete the date "July 8, 2009" in the fourth sentence and insert in its place the date "July 13, 2009." The following sentences are to be added immediately following the third sentence in Paragraph (6): This Court finds that certain funds have been interpled into the underlying state court action. Accordingly, this Court orders that the attorneys' fees of the Intervenor are to be paid from those funds and the balance of those funds shall be distributed 50% to the Netsphere Parties and 50% to the trust account of Friedman & Feiger on behalf of Defendants. This Court shall later determine against which party the Intervenor's attorneys' fees are to be taxed as costs. The funds deposited into the trust account of Friedman & Feiger pursuant to this Order are to be held until further order of this Court, except that Defendants' counsel may apply the funds on deposit to their outstanding invoices for legal services to Defendants. This Court desires that Friedman & Feiger stay in this case as Defendants' counsel considering the numerous times that Defendants have replaced their lawyers over the course of this case and in the underlying cases. This Court is concerned that a change in counsel might be for the purpose of delay and in an attempt to impede the judicial process. The Court finds that Friedman & Feiger's continued representation is necessary to

continue to work towards performance of the Preliminary Injunction and to avoid possible contempt findings. In the event that Defendants elect to terminate Friedman & Feiger, the funds required to be deposited by this order into Friedman & Feiger's trust account are non-refundable. Upon final resolution of this case, Defendants may apply to this Court for an order directing that the balance of any funds deposited into the trust account of Friedman & Feiger pursuant to this Order be returned to Defendants.

The following new Paragraphs (10)-(14) are added immediately following the existing Paragraph (9):

(10) Plaintiffs shall produce the documents that Plaintiffs' counsel agreed to produce in connection with the depositions of Plaintiffs for the preliminary injunction hearing. Plaintiffs shall produce all documents required by this paragraph by Friday July 3, 2009 at 5 p.m. CST at the office of Defendants' counsel.

(11) Defendants shall provide the on-line logins/access codes/passwords for all monetization accounts for any domain names registered at Ondova at any time, specifically including but not limited to, the on-line logins/access codes/passwords for Hitfarm, Fabulous, enom, Oversee.net, Domain Development Corp., Parked.com, Namedrive.com, Domain Sponsor.com, Above.com, and Sedo or provide a detailed explanation to Plaintiffs' counsel as to why Defendants are unable to provide such information.

(12) Defendants shall produce all CSV text files (without limitation) containing the WHOIS information for all of the domain names registered at Ondova sent to Iron Mountain or any other third party data escrow service.

(13) Defendants shall produce any and all data, records, reports or recommendations that were reviewed or specifically used or relied upon by Defendants to determine which domain names would be deleted or allowed to expire after April 26, 2009.

(14) Defendants shall produce all documents required by paragraphs (11)-(13) of this Order by Monday July 6, 2009 at 5 p.m. CST at the office of Plaintiffs' counsel. Defendants shall produce all documents in electronic form, except documents that have only ever existed in tangible form.

(15) Defendants are prohibited from deleting, altering or modifying in any way the files on any of their computers or servers prior to those computers and servers being imaged as ordered below. Defendants at their sole cost shall engage a third party forensic document imaging service agreed upon by Plaintiffs to create an image of all Defendants' computers and servers, including any deleted files (which shall be recovered prior to imaging). Personal information of Jeffrey Barron (which is defined solely as personal photos, purely social communications and personal financial information), attorney-client privileged information, and proprietary source code shall be minimized by the agreed-upon third party forensic document imaging service company prior to production to Plaintiffs' counsel. A detailed privilege log concerning the minimized information shall be produced to Plaintiffs' counsel by Defendants by 5 p.m. on July 16, 2009. The detailed privilege log shall include the date of each document/file; the type of each document/file and length; the author and all recipients of each document/file; general subject matter of each document/file; privilege asserted for each document/file; and an explanation as to why the privilege is applicable to each document/file with enough specificity to allow Plaintiffs to determine whether to object to the privilege asserted. A copy of the imaging ordered herein shall be surrendered to Plaintiffs' counsel by 5 p.m. CST on July 6, 2009. All

“Defendants’ computers and servers” shall mean any computer, server or other data storage device used by Defendants or containing any of Defendants documents or files regardless of the legal ownership of the computer, server or other data storage device. The parties may agree by noon on July 3, 2009 upon the appointment of a Special Master (at Defendants’ sole cost) to receive production of proprietary source code, if any, owned by Defendants. By 5 p.m. CST on July 6, 2009, if a Special Master is retained, Defendants may submit only the proprietary source code to the Special Master. By 5 p.m. CST on July 6, 2009, Defendants shall submit a written statement to Plaintiffs’ counsel describing the nature and purpose of the proprietary source code in sufficient detail so as to permit Plaintiffs’ counsel to evaluate whether such source code is relevant or likely to lead to the discovery of relevant evidence. With respect to any source code submitted, the Special Master shall determine by 5 p.m. on July 10, 2009, whether such source code should be produced to Plaintiffs’ counsel under a highly confidential designation based upon whether such source code is relevant or likely to lead to the discovery of relevant evidence. The definition of source code is strictly limited to a collection of statements or declarations in computer programming language and does not include an executable file or any results from the execution of the collections of statements or declarations in computer programming language. The submission of source code to the Special Master shall not in any way delay the surrender of the image(s) of Defendants’ computers and servers to Plaintiffs’ counsel as ordered above.

(16) If Defendants fail to comply with any provision of the Preliminary Injunction as amended or any other Order of this Court during a business day, then for each provision violated, Defendants shall pay a fine in the amount of fifty thousand dollars (\$50,000 US) to be wired to the trust account of Plaintiffs’ counsel within 24 hours of said violation. A new fifty thousand dollar fine shall be paid for each business day Defendants remain in violation and for each

separate violation of the Preliminary Injunction as amended or any other Order of this Court. For clarity, a violation of two provisions for three business days would result in a total fine of \$300,000.00. The foregoing penalties shall not apply to any non-compliance with this Court's orders prior to July 1, 2009, which will be addressed by this Court after receipt of Plaintiffs' Motion for Contempt, and shall not apply to any failure to comply with Paragraph (5)(a) of the Preliminary Injunction as amended. Any funds transferred to Plaintiffs' counsel under this provision shall be held in trust until such time as the Court determines the appropriate sanction/contempt penalty for such violation(s).

(17) Defendants shall immediately order and pay for transcript of the July 1, 2009 hearing.

IT IS SO ORDERED.

DATED: July 6th, 2009



THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT JUDGE

**UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF TEXAS
 DALLAS DIVISION**

NETSPHERE, INC., et al.,

Plaintiffs,

vs.

JEFFREY BARON, et al.,

Defendants.

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CIVIL ACTION NO.:
 3-09CV0988-F

PLAINTIFFS' MOTION ON DEFENDANTS' CONTEMPT OF COURT

Plaintiffs, Netsphere, Inc. ("Netsphere"), Manila Industries, Inc. ("Manila") and Munish Krishan ("Krishan") (collectively "Plaintiffs" or "Netsphere Parties"), hereby move this Honorable Court for an Order to hold Defendants Jeffrey Baron ("Baron") and Ondova Limited Company ("Ondova") (Baron and Ondova are collectively referred to as the "Defendants") in civil contempt for multiple violations of this Court's Orders, and in support of same state as follows:

EXHIBIT I

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DEFENDANTS ARE IN CONTEMPT

Defendants have clearly and blatantly violated this Court's Orders, despite clear warnings and predetermined sanctions set forth by this Court for any such behavior. "A party failing to obey discovery orders ... is subject to a variety of sanctions, including the entry of default judgment." *Federal Maritime Com'n v. South Carolina State Ports Authority*, 535 U.S. 743, 758 (2002). Rule 37(b)(2) provides that if a party or a party's officer, director, or managing agent "fails to obey an order to provide or permit discovery . . . the court where the action is pending may issue further just orders. They may include the following: (i) directing that . . . designated facts be taken as established for purposes of the action. . . (ii) prohibiting the disobedient party from supporting or opposing designated claims or defenses, or from introducing designated matters in evidence; . . . (vi) rendering a default judgment against the disobedient party; and (vii) treating as contempt of court the failure to obey any order. . . ". Rule Civ. Proc. R. 37(b)(2). A movant in a civil contempt proceeding bears the burden of establishing by clear and convincing evidence 1) that a court order was in effect, 2) that the order required certain conduct by the [Defendants], and 3) that the [Defendants] failed to comply with the court's order." *Whitcraft v. Brown*, 2009 U.S. App. LEXIS 11740 (5th Cir. Tex. May 29, 2009); *citing, Martin v. Trinity Indus., Inc.*, 959 F.2d 45, 47 (5th Cir. 1992). As set forth below the Plaintiffs clearly meet their burden of establishing that the Defendants are in contempt of this Court's Orders.

ARGUMENT

A. Factual Background

Concerned about the potential deletion of valuable domain names and the possible spoliation of evidence, the Plaintiffs sought a temporary restraining order ("TRO") from this Court. The Court issued a TRO on June 12, 2009 which included, at the request of the

Defendants, an order that the parties engage in expedited discovery on three days notice, including the depositions of the parties and the production of documents. See Docket No. 19. Despite the fact that it was the Defendants who sought the expedited discovery on three days notice, they failed to properly respond to Plaintiff's discovery requests, timely served under the provisions of the TRO. As this Court has already found, Plaintiff timely served Notices of Deposition Duces Tecum for Defendants Baron and Ondova on June 15, 2009, and "Defendant Baron failed and refused to provide all documents responsive to Plaintiffs' requests." Order on Expedited Discovery ("Order"), Docket No. 19 at page 1. The Order was entered as a result of this Court's finding of Defendants failure to comply and, as set forth in detail below, there are multiple violations of this Order by the Defendants.

In addition to the failure to comply with the Court's Order, Defendants have failed to comply with the Court's Preliminary Injunction. On June 26, 2009, this Court entered a Preliminary Injunction mandating performance of certain provisions of the settlement agreement between the parties (the "Memorandum of Understanding"). Docket No. 22. Defendants consented to that Preliminary Injunction. The parties obligations under the Preliminary Injunction included the division of the domain names registered by the Netsphere Parties (the "Netsphere Portfolio"); the transfer to the Netsphere Parties of their portion of the domain names; the distribution of certain monetization revenues; and, that Defendants engage a third party service to create an image of all Defendants' WHOIS-related documents as a result of the Defendants' prior failure to produce those documents in connection with the noticed depositions. As set forth below, Defendants failed to timely comply with provisions of the Preliminary Injunction.

Finally, Defendants have also failed to comply with the Amendment to the Preliminary Injunction. On July 6, 2009, this Court entered the Amendment to Preliminary Injunction ("Amendment") amending the Preliminary Injunction of June 26, 2009. Docket No. 30. The Amendment, among other things, moved the Netsphere Parties' deadline to identify the nameserver(s) from July 2, 2009 to July 3, 2009; and moved the deadline for Ondova to point the Netsphere Portfolio to said identified nameserver(s) from July 3, 2009 to July 6, 2009. Docket No. 30, at 1.

As detailed below, Defendant has failed to comply with certain provisions of the Order, the Preliminary Injunction, and the Amendment, despite clear and direct warnings from this Court against violating its authority. This blatant disregard for this Court's authority, and ignoring the mandatory orders and injunctions entered by this Court against the parties in this matter warrants severe sanctions.

B. Defendants Violations of the Order

The first numbered paragraph of the Order provides in pertinent part that the "Defendants shall produce all WHOIS records for every domain name registered with Ondova to Plaintiff's in electronic form..." Docket No. 19. The sixth numbered paragraph sets forth the time and date by which Defendants must comply with the first four numbered paragraphs—to wit, 4 p.m. Tuesday June 23, 2009. Id. Despite this clear direction, Defendants failed to comply. See MacPete Dec. at ¶ 4, Appendix p. 2 ("App."). Shockingly, what Defendants did eventually produce after the close of business on June 23rd was an altered file that had had critical information deleted from it prior to production. Id. at 5, App. p. 2. The file provided by the Defendants' containing the WHOIS database had the creation date field (column No. 5) deleted from it, thereby eliminating the creation date from every single record. Id., App. p. 2. There is no question that the creation

date is part of the WHOIS records maintained by Ondova as evidenced by a printout of the WHOIS information for any domain name registered at Ondova – the creation date is the first piece of information listed. *See MacPete Dec. at 5, App. p. 2.* The creation date, as previously stated to the Court, is a crucial piece of information needed to sort out which domain names registered at Ondova are subject to the Settlement Agreement. Defendants' alteration of a record prior to its production in discovery is beyond the bounds of permissible behavior in discovery and is an attack on our very system itself. Our civil discovery system is predicated on the idea that parties will act honorably to fulfill their obligations to produce documents as requested in unaltered form and regardless of whether those documents help or harm the parties' cause. Defendants have shattered that important trust. It is imperative to preserve the integrity of that system, that violations of such trust be dealt with swiftly and with overwhelming force. The need for a severe penalty to establish appropriate boundaries of behavior is particularly critical here as a result of: (i) Defendants' history of inappropriate self help; (ii) Defendants' continuing non-compliance with other orders as set forth below; and (iii) the particularly callous disregard Defendants have shown for the rules and this Court given that Defendant altered the WHOIS records after Judge Lynn specifically and clearly ordered that the Defendant was "prohibited from altering or modifying in any way the 'WHOIS' information" and stated that she would "deal with [any violation of the TRO] as severely as the law would allow." TRO at ¶ (4) and Transcript of TRO hearing at 41:14-16 (emphasis added). Any possible question concerning whether Defendants willfully violated the TRO and the Order by altering the WHOIS database that was produced to Plaintiffs was eliminated as a result of the production of the image of the WHOIS-related documents created by the third party company pursuant to the Preliminary Injunction. That image contained the altered database with 47 fields (missing the creation date

field and the domain id field) and next to it, the unaltered database containing 49 fields, including the creation date field and the domain id field. Aggarwal Dec. at 2, App. p. 39.

The second numbered paragraph of the Order provides that the "Defendants shall produce all documents related to the monetization of all of the domain names registered at Ondova." Docket No. 19. These documents were also ordered to be produced by 4pm on June 23, 2009. Id. at ¶ (6). Again, Defendants failed to comply. Defendants have not produced necessary and basic documents such as email correspondence, checks or other payment records from the monetization companies, or even the contracts Defendants had with the monetization companies. See MacPete Dec. at ¶ 6, App. p. 2. Despite repeated oral requests from Plaintiffs' counsel, none of these documents have ever been produced.¹

The third numbered paragraph of the Order provides that "Defendants shall produce the list of all domain names registered at Ondova that they deleted or allowed to expire or transferred after April 26, 2009..." Docket No. 19. The deadline was 4pm on June 23rd, 2009. Id. at ¶ (6). Yet again, Defendants failed to comply. Defendants failed to produce a complete electronic list of the deleted, expired or transferred domain names by 4pm on June 23rd, 2009. This was certainly not the first time. Defendants also failed to provide a list of the deleted expired or transferred domain names under oath as ordered in the TRO (TRO p. 3), and at the hearing on June 19th—which was ultimately reduced to writing in the Order. Defendants finally produced an unsworn electronic list purporting to be of all the deleted domain names on the afternoon of June 24th. However, on June 25th, Defendants' counsel indicated that the list produced the day before was not a complete list and would need to be supplemented. See MacPete Dec. at ¶ 7,

¹ Well after the deadline in the Order, and pursuant to specific provisions in the Amendment to the Preliminary Injunction, Defendants have produced a database file containing financial information about the deleted domain names and some of the passwords for monetization accounts.

App. p. 2. Accordingly, the Preliminary Injunction provided that Defendants' counsel would supplement the list by noon on June 26th under oath. Footnote 2 of the Preliminary Injunction, specifically noted that the fact that the list was being supplemented did not cure the Defendants' failure to produce the list electronically and under oath as required in the TRO and the Order on Expedited Discovery. On June 26th, Defendants finally produced the electronic list of the deleted names under oath.

On June 23rd, Defendants also failed to produce the records or financial reports related to the deleted domain names as required by the Order Docket No. 19 at ¶ 3. Despite repeated requests from Plaintiffs' counsel, Defendants did not produce the financial records for the deleted domain names. *See MacPete Dec. at ¶ 8, App. p. 3*. Because the information was desperately needed by Plaintiffs to determine which deleted domain names should be undeleted (those with value), Plaintiffs asked this Court for help in the form of yet another order directing the production. At the hearing on July 1st, this Court again ordered that Defendants should produce all such records and required the production by July 3rd at 5 pm.² On July 3rd, although Defendants produced a password-protected Macintosh database file after 5:30 pm with the required information, Defendants 1) failed to identify the program needed to open the file and 2) failed to provide the password. As a result, Plaintiffs were unable to open the file on July 3rd and 4th, despite repeated efforts. On July 5th, Defendants' computer consultant finally was able to identify the correct program to open the file and later was able to secure the password for the file from Mr. Baron and produced it to Plaintiffs.

² At a subsequent telephone hearing, this Court modified the deadline for the production required by paragraph 13 of the Amendment to the Preliminary Injunction to July 6th from July 3rd.

The fourth numbered paragraph of the Order provides that "Defendants shall produce all documents responsive to Plaintiffs' request nos. 14-15 to Jeffrey Baron and Plaintiffs' request nos. 12-13 to Ondova Ltd." Docket No. 19. The requests referenced in the Order are as follows:

- 12/14 Produce any and all documents regarding communication between [you/Ondova] and any third party (excluding [] legal counsel) relating to the Memorandum of Understanding executed by you on April 26, 2009; and
- 13/15 Produce any and all documents regarding [your/Ondova's] performance or non-performance of the Memorandum of Understanding executed by you on April 26, 2009.

The categories of documents this Court ordered Defendants to produce necessarily would include the following:

- an email from Jerry Mason (Ondova's general counsel) to John MacPete discussing the Memorandum of Understanding (stating "This case is settled."); and
- an email from Jerry Mason to Frank Herrera providing "auth" codes for domain names to be transferred to third-party trademark owners as required by paragraph 7 of the Memorandum of Understanding.
App. p. 6-9.

However, Defendants did not, and have not produced these or any other emails or any other responsive documents, despite repeated requests from Plaintiffs' counsel. See MacPete Dec. at ¶ 9-10, App. p. 3.

Based upon Defendants multiple and continuing failure to produce the documents as required by the Order (and TRO), and other gamesmanship by the Defendants, this Court could render a default judgment against the Defendants. It is well-settled that entry of a default judgment is an appropriate sanction when the disobedient party has failed to comply with a court order because of willfulness, bad faith, or other fault on its part, as opposed to its inability to comply with the court's order. *Technical Chemical Co. v. IG-LO Products Corp.*, 812 F.2d 222, 224 (5th Cir. 1987), citing *Societe Internationale v. Rogers*, 357 U.S. 197, 212, 78 S.Ct. 1087,

1095, 2 L.Ed.2d 1255 (1958); *Batson v. Neal Spelce Associates, Inc.*, 765 F.2d 511, 514 (5th Cir. 1985). For the Court to award a default judgment as a discovery sanction, two criteria must be met: "First, the penalized party's discovery violation must be willful." *United States v. 49,000 Currency*, 330 F.3d 371, 376 (5th Cir. 2003). "Also, the drastic measure is only to be employed where a lesser sanction would not substantially achieve the desired deterrent effect." *Id.*

In the instant case, judgment by default would be warranted. As set forth above, the Defendants' repeated and continuous disobedience has been willful. Without any justification, the Defendants have failed to comply with Plaintiffs' written document requests, the TRO and the Order (among other Court Orders). In fact, the Defendants have attempted to perpetrate a fraud on the Plaintiffs and this Court by the alteration of discovery that it did produce (i.e. the WHOIS information). Courts in the Fifth Circuit have granted default judgments in less egregious circumstances. (See e.g. *Technical Chemical Co. v. Ig-Lo Products Corp.* 812 F. 2d 222 (5th Cir. 1987); where a default judgment was upheld against a party appearing *pro se* and who, without a plausible excuse, twice disobeyed explicit court orders to appear for his deposition; and *McLeod, Alezander, Powel & Appfel, P.C. v. Quarles*, 894 F.2d 1482 (5th Cir. 1990); where default judgment was upheld against defendant where he failed to respond to written discovery requests and then failed to comply with an Order from the magistrate ordering specific compliance).

Nevertheless, Plaintiffs are not asking for a default judgment at this time. Specifically, this Court has already ordered that a violation of any provision of any Order of this Court will result in penalties of \$50,000.00 per day until cured. Docket No. 30. Although the Defendants have breached numerous provisions of several of this Court's Orders, and demand has been made upon the Defendants for payment, no penalties have been paid by the Defendants

and they continue to be in violation of numerous Orders. *See MacPete Dec. at ¶ 11, App. p. 3.* Accordingly, Plaintiffs are requesting that this Court enforce its order for monetary penalties and to grant the following evidentiary sanctions:

- A. Prohibiting the Defendants from introducing any evidence opposing Plaintiffs' claims for damages (for Defendants failure to provide accurate accountings, all documents relating to the monetization of the Manila Portfolio as well as all valid access codes to the accounts at parking companies so that damages could be accurately calculated);
- B. Prohibiting the Defendants from introducing any evidence refuting Plaintiffs' definition of the "Manila Portfolio" (for Defendants violation of the Orders by altering the WHOIS information);
- C. Directing the fact that the Settlement Agreement is a full, final and binding agreement be taken as established for purposes of this action (for Defendants' failure to provide any documents relating to their performance or non-performance of the Settlement Agreement); and
- D. Deeming Jeffrey Baron as the alter ego of Ondova Company Limited. *See for example Compaq Computer Corp. v. Ergonome, Inc.*, 387 F.3d 403 (5th Cir. 2004)(deeming book's author to be alter ego of publisher as sanction for repeated discovery violations).

C. Defendants Violations of the Preliminary Injunction and Amendment

This Court entered a Preliminary Injunction in this matter on June 26, 2009. Docket No. 22. An Amendment to Preliminary Injunction ("Amendment") was filed on July 6, 2009. Docket No. 30. Defendants consented to the Preliminary Injunction. Unfortunately, despite concessions, extensions, and continued patience by both the Court and the Plaintiff, Defendants

have chosen to test this Court by failing to comply with their obligations yet again. And, this Court explicitly warned the Defendant, in person, that continued failure to abide by this Court's orders would result in a penalty of \$50,000 per day, and later reiterated this warning in the Amendment to Preliminary Injunction. Docket No. 30 at ¶ 15.

The Preliminary Injunction provides in part that: "[b]y 5 p.m. on July 2, 2009, the Netsphere Parties shall identify a set of nameserver(s) to which Ondova shall point the Netsphere Portfolio. By 5 p.m. on July 3, 2009, Defendants shall point the Netsphere Portfolio to the set of nameserver(s) identified by the Netsphere Parties." Docket No. 22 at ¶ 4. These dates were modified under the Amendment and were changed to July 3rd and July 6th respectively. Plaintiffs identified the nameserver(s) to which Ondova was required to point the Netsphere Portfolio on July 3, 2009 *See MacPete Dec. at ¶ 12*. Given this information, the Defendants failed to point the entire Netsphere Portfolio to the identified nameserver(s) by 5 p.m. on July 6, 2009, in violation of the Amendment. In an attempt to be as reasonable as possible, Plaintiffs (through their counsel) orally agreed that substantial compliance would be acceptable *if* Defendants fully and completely complied on the following day (July 7, 2009). *See MacPete Dec. at ¶ 14, App. p. 4*. Even then, the Defendants failed to fully and completely comply on the following day. *Id.* Approximately 4,840 domain names remained out of compliance, and did not point to the identified nameserver until one week later, after 4 p.m. CST on July 13, 2009. *See Aggarwal Dec. at 4, App. p. 40*.

The Amendment further provides in pertinent part that "Defendants shall provide the on-line logs/access codes/passwords for all monetization accounts for any domain names registered at Ondova at any time, specifically including but not limited to, the on-line login/access codes/passwords for [the monetization companies] or provide a detailed explanation

to why Defendants are unable to provide such information." Docket No. 30 ¶ 11. Pursuant to the Amendment these access codes are to be provided to the Netsphere Parties no later than July 6, 2009 at 5 p.m. Id. at ¶ 14.

Here again, the Defendants failed to comply. See MacPete Dec. at ¶ 15, App. p. 4. Specifically, the Plaintiffs have determined that the Defendants have failed to provide any on-line logins/access codes/passwords for at least the Sendori and Firstlook accounts. See Aggarwal Dec. at ¶ 5, App. p. 40. (attaching documents reflecting that: Sendori is a monetization company; that the domain name <Bob-interactive.com> is parked with Sendori; and that Ondova is the registrar for the domain name <Bob-interactive.com> and stating that access codes to at least one of the Firstlook accounts was not provided).

It should be also noted that invalid usernames and passwords for three other accounts were initially provided, but valid access codes to said accounts (i.e. Parked.com, Sedo, and DomainSponsor.com) were eventually provided on July 14, 2009. See Aggarwal Dec. at ¶ 6, App. p. 40. (attaching documents reflecting the results when Plaintiffs attempted to use the invalid usernames and passwords initially provided by the Defendants to access Parked.com, Sedo and DomainSponsor.com).

D. Conclusion and Calculations

This Court has specifically warned the Defendant, both verbally in person, and in various documents, that disregard for this Court's orders and authority will not be tolerated. For example, the Amendment to Preliminary Injunction provides that: if "Defendants fail to comply with any provision of the Preliminary Injunction as amended or any other Order of this Court during a business day, then for each provision violated, Defendants shall pay a fine in the amount of fifty thousand dollars (\$50,000 US) to be wired to the trust account of Plaintiffs' counsel

within 24 hours of said violation. A new fifty thousand dollar fine shall be paid for each business day Defendants remain in violation and for each separate violation of the Preliminary Injunction as amended or any other Order of this Court." Docket No. 30 at ¶ 16.

The Defendants violated the Amendment by failing to pay the fine in the amount of fifty thousand dollars (\$50,000 US), per provision violated, within 24 hours of said violations. Pursuant to the Amendment, the Defendants are required to pay:

- a. \$50,000 per business day for violating the fourth numbered paragraph of the Preliminary Injunction (pointing Netsphere Portfolio to the nameserver), commencing July 7, 2009 through July 13, 2009 (7 days x \$50,000 = 350,000.00).
- b. \$50,000 per business day for violating the eleventh numbered paragraph of the Amendment (access codes), commencing July 7, 2009 through July 21, 2009 (11 days x \$50,000 = 550,000.00).
- c. \$50,000.00 per business day for violating the sixteenth paragraph of the Amendment by failing to pay the fines above commencing July 7, 2009 through July 21, (11 days x \$50,000 = 550,000.00).

Therefore, as of close of business on July 21, 2009, the Defendants should have paid the sum of \$1,450,000.00 to the trust account of Plaintiffs' counsel. Fines continue to accrue at the daily (business days) rate of \$150,000.00 for the open violations. While the amount sought is significant, this Court specifically warned of contempt sanctions in the millions of dollars, and Defendant's counsel stated his belief that the domain name portfolio was worth tens of millions of dollars in profits annually. *See Transcript*, pp. 32 l. 1, App. p. 17; and pp. 108 l. 16, App. p. 36. **Nevertheless, Plaintiffs are not seeking imposition of the total amount of the fines**

required by the Amendment. Plaintiffs respectfully request that this Court award a contempt penalty in the amount of \$400,000, calculated as \$10,000 per day for the violation of paragraph 4 of the Preliminary Injunction and \$30,000 per day for the violation of paragraph 11 of the Amendment to the Preliminary Injunction and no additional penalty for the violation of paragraph 16 of the Amendment to the Preliminary Injunction.

The law is clear, this Court's Orders are clear, and Plaintiffs have met their burden for the relief requested. As a result, Defendants should be held in civil contempt for violating this Court's explicit Orders, should be required to immediately cure the violations; and should be required to pay the fines as set forth therein. Additionally, Defendants should be ordered to pay Plaintiffs' costs and attorneys' fees for having to bring this Motion. Plaintiffs believe that this is a fair, reasonable and conservative remedy, given that it is well within this Court's powers to include dispositive action as a sanction, or deem all contested facts admitted in Plaintiffs' favor. Plaintiff is not seeking such remedy yet, but simply a portion of the remedy already set forth by this Court.

WHEREFORE, based upon the foregoing, Plaintiffs respectfully pray that this Honorable Court issue an Order holding Defendants in contempt for failing to comply with this Court's Orders of June 26, 2009 and as amended on July 6, 2009, and require that the Defendants immediately cure each of the violations.

Plaintiffs further pray that this Honorable Court impose a \$400,000 (U.S.) fine for Defendants' violations and a per day fine of \$40,000 from the date of any order on this Motion until those violations are cured. Plaintiffs further pray that this Court sanction Defendants for their willful disregard of this Court's Orders and award Plaintiffs costs and attorneys' fees, and

such other relief as justice dictates and as permitted by statute, court rules and relevant case law for having to bring this Motion.

Dated: July 21, 2009

Respectfully submitted,

John W. MacPete
State Bar No. 00791156
Jason Mueller
State Bar No. 24047571
LOCKE LORD BISSELL &
LIDDELL LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
(214) 740-8662
(214) 740-8800 (Fax)

ATTORNEYS FOR PLAINTIFFS
MANILA INDUSTRIES, INC., NETSPHERE,
INC. and MUNISH KRISHAN

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that he conferred with counsel for Defendants regarding the relief requested in this Motion. Counsel for the Defendants indicated that this Motion is OPPOSED.

John MacPete

CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record have been served with a copy of the foregoing via electronic mail on June 21, 2009.

/s/ John MacPete
John MacPete

SUGGESTION OF BANKRUPTCY AND NOTICE OF STAY

TO: THE HONORABLE JUDGE OF SAID COURT:

NOW COMES, Ondova Limited Company (hereinafter referred to as "**Debtor**") and files this Suggestion of Bankruptcy and Notice of Stay and would respectfully show the Court the following:

1. On July 27, 2009, Debtor filed its Voluntary Petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, Case No. 09-34784-sgj-11 (the "**Voluntary Petition**").

2. Pursuant to Section 362 of the Bankruptcy Code, the filing of the Petition operates as a stay of:

- a. The commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other proceeding against the Debtor that was or could have been commenced before the commencement of the case under this Title, or to recover a claim against the Debtor that arose before the commencement of the case under this Title;
- b. The enforcement, against the Debtor or against property of the estate, of a judgment obtained before the commencement of the case under this Title;
- c. Any act to obtain possession of property of the estate or property from the estate;
- d. Any act to create, perfect, or enforce any lien against property of the estate;

- e. Any act to create, perfect, or enforce against property of the Debtor any lien to the extent that such lien secures a claim that arose before the commencement of the case under this Title, except to the extent provided in Section 362(b);
 - f. Any act to collect assets, or recover a claim against the Debtor that arose before the commencement of the case under this title;
 - g. The set off of any debt owing to the Debtor that arose before the commencement of the case under this Title against any claim against the Debtor; and
 - h. The commencement or continuation of a proceeding before the United States Tax Court concerning the Debtor.
3. As a result of the operation of the automatic stay, all parties are stayed from any further continuation of these proceedings until such time as the Bankruptcy Court may order otherwise.
4. Attached hereto and incorporated herein for all purposes as Exhibit "A" is a copy of the Voluntary Petition dated July 27, 2009, which further confirms the above stated facts.

WHEREFORE, PREMISES CONSIDERED, Debtor prays that this Court take notice of the Bankruptcy Stay and that further action be stayed and for such other and further relief as to which it may be justly entitled.

Dated this 27th day of July, 2009

Respectfully submitted,

WRIGHT GINSBERG BRUSILOW P.C.

By: /s/ E.P. Keiffer
E. P. Keiffer (SBN 11181700)

The Elm Place Building
1401 Elm Street, Suite 4750
Dallas, Texas 75202
(214) 651-6500 - telephone
(214) 744-2615 - facsimile

**PROPOSED ATTORNEY FOR ONDOVA
LIMITED COMPANY, DEBTOR**

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Suggestion of Bankruptcy and Notice of Stay was served via the U.S. District Court's electronic noticing system on July 27, 2009, and via first class U.S. Mail, postage pre-paid, on July 28, 2009, on the parties listed below:

Peter S. Vogel, Esq.
Gardere Wynne Sewell
1601 Elm Street, Suite 3000
Dallas, TX 75201-4761
Special Master

John W. MacPete, Esq.
Locke, Lord, Bissell & Liddell, LLP
2200 Ross, Suite 2200
Dallas, Texas 75202
**Attorneys for Manila Industries, Inc.,
Netsphere, Inc., and Munish Krishan**

Craig A. Capua, Esq.
West & Associates LLP
320 S. RL Thornton Freeway, Suite 300
Dallas, Texas 75201
**Attorney for Quantec, LLC, Iguana
Consulting, LLC, and Novo Point, LLC**

Charla G. Aldous, Esq.
Aldous Law Firm
2305 Cedar Springs, Suite 200
Dallas, Texas 75201
Pro Se

James Krause, Esq./Ryan K. Lurick, Esq.
Friedman & Feiger
5301 Spring Valley Road, Suite 200
Dallas, Texas 75254
**Attorneys for Jeffrey Baron
and Ondova Limited Company**

Jeffrey H. Rasansky, Esq.
Robert Edward Wolf, Jr., Esq.
Rasansky Law Firm
2525 McKinnon, Suite 625
Dallas, Texas 75201
Pro Se

/s/ E.P. Keiffer
E.P. Keiffer

Exhibit "A"

United States Bankruptcy Court
Northern District of Texas

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): Ondova Limited Company	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): Compana, LLC, budgetnames.com	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): 75-2956804	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):
Street Address of Debtor (No. and Street, City, and State): 2200 Trinity Mills Road Carrollton, TX ZIP CODE 75006	Street Address of Joint Debtor (No. and Street, City, and State): ZIP CODE
County of Residence or of the Principal Place of Business: Dallas County	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): P. O. Box 111501 Carrollton, TX ZIP CODE 75006	Mailing Address of Joint Debtor (if different from street address): ZIP CODE

Location of Principal Assets of Business Debtor (if different from street address above): Dallas, Texas ZIP CODE		
<p>Type of Debtor (Form of Organization) (Check one box.)</p> <p><input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i></p> <p><input type="checkbox"/> Corporation (includes LLC and LLP)</p> <p><input type="checkbox"/> Partnership</p> <p><input checked="" type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)</p> <p>Limited Liability Company</p>	<p>Nature of Business (Check one box.)</p> <p><input type="checkbox"/> Health Care Business</p> <p><input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B)</p> <p><input type="checkbox"/> Railroad</p> <p><input type="checkbox"/> Stockbroker</p> <p><input type="checkbox"/> Commodity Broker</p> <p><input type="checkbox"/> Clearing Bank</p> <p><input checked="" type="checkbox"/> Other Internet Domain Registrar</p> <p>Tax-Exempt Entity (Check box, if applicable.)</p> <p><input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).</p>	<p>Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box.)</p> <p><input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding</p> <p><input checked="" type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding</p> <p><input type="checkbox"/> Chapter 11</p> <p><input type="checkbox"/> Chapter 12</p> <p><input type="checkbox"/> Chapter 13</p> <hr/> <p>Nature of Debts (Check one box.)</p> <p><input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."</p> <p><input checked="" type="checkbox"/> Debts are primarily business debts.</p>

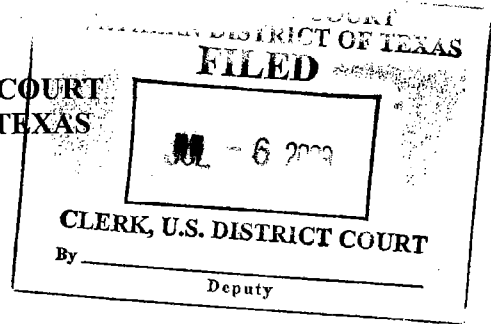
<p>Filing Fee (Check one box.)</p> <p><input checked="" type="checkbox"/> Full Filing Fee attached.</p> <p><input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.</p> <p><input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.</p>	<p>Chapter 11 Debtors</p> <p>Check one box:</p> <p><input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).</p> <p><input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).</p> <p>Check if:</p> <p><input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000.</p> <p>-----</p> <p>Check all applicable boxes:</p> <p><input type="checkbox"/> A plan is being filed with this petition.</p> <p><input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).</p>
---	--

<p>Statistical/Administrative Information</p> <p><input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors.</p> <p><input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.</p>											<p>THIS SPACE IS FOR COURT USE ONLY</p>
<p>Estimated Number of Creditors</p> <p><input type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input checked="" type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> Over 100,000</p>											
<p>Estimated Assets</p> <p><input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion</p>											
<p>Estimated Liabilities</p> <p><input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion</p>											

Voluntary Petition <i>(This page must be completed and filed in every case.)</i>		
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)		
Location Where Filed:	Case Number:	Date Filed:
Location Where Filed:	Case Number:	Date Filed:
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet.)		
Name of Debtor:	Case Number:	Date Filed:
District: Northern District of Texas	Relationship:	Judge:
Exhibit A (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.) <input type="checkbox"/> Exhibit A is attached and made a part of this petition.	Exhibit B (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b). X _____ Signature of Attorney for Debtor(s) (Date)	
Exhibit C Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No.		
Exhibit D (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.) <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition. If this is a joint petition: <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.		
Information Regarding the Debtor - Venue (Check any applicable box.)		
<input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.		
<input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.		
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.		
Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes.)		
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.) <div style="text-align: right; margin-right: 100px;"> _____ (Name of landlord that obtained judgment) </div> <div style="text-align: right; margin-right: 100px;"> _____ (Address of landlord) </div>		
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and		
<input type="checkbox"/> Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.		
<input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).		

<p>B 1 (Official Form) 1 (1/08)</p> <p>Voluntary Petition <i>(This page must be completed and filed in every case.)</i></p>	<p style="text-align: right;">Page 3</p> <p>Name of Debtor(s): Ondova Limited Company</p>
Signatures	
<p style="text-align: center;">Signature(s) of Debtor(s) (Individual/Joint)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct. [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).</p> <p>I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X _____ Signature of Debtor</p> <p>X _____ Signature of Joint Debtor</p> <p>_____ Telephone Number (if not represented by attorney)</p> <p>_____ Date</p>	<p style="text-align: center;">Signature of a Foreign Representative</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.</p> <p>(Check only one box.)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.</p> <p><input type="checkbox"/> Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p>X _____ (Signature of Foreign Representative)</p> <p>_____ (Printed Name of Foreign Representative)</p> <p>_____ Date</p>
<p style="text-align: center;">Signature of Attorney*</p> <p>X <u>//s// E. P. Keiffer</u> Signature of Attorney for Debtor(s) <u>E. P. Keiffer</u> Printed Name of Attorney for Debtor(s) <u>Wright Ginsberg Brusilow P.C.</u> Firm Name <u>1401 Elm Street, Suite 4750</u> Address <u>Dallas, Texas 75202</u></p> <p>_____ <u>214.651.6517</u> Telephone Number <u>7/24/2009</u> Date</p> <p><small>*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.</small></p>	<p style="text-align: center;">Signature of Non-Attorney Bankruptcy Petition Preparer</p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.</p> <p>_____ Printed Name and title, if any, of Bankruptcy Petition Preparer</p> <p>_____ Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)</p> <p>_____ Address</p> <p>X _____ Date</p> <p>Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.</p> <p>Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.</p> <p>If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><i>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.</i></p>
<p style="text-align: center;">Signature of Debtor (Corporation/Partnership)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.</p> <p>The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X <u>//s// Jeff Baron</u> Signature of Authorized Individual <u>Jeff Baron, Trustee of Daystar Trust</u> Printed Name of Authorized Individual <u>Member/Manager of Ondova Limited Company</u> Title of Authorized Individual <u>7/24/2009</u> Date</p>	

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



NETSPHERE, INC., et al.,

Plaintiffs,

vs.

JEFFREY BARON, et al.,

Defendants.

§
§
§
§
§
§
§
§
§

CIVIL ACTION NO.
3-09CV0988-F

ORDER EXTENDING REDEMPTION GRACE PERIOD

Having considered all arguments of counsel at a hearing on July 1, 2009, the Court hereby makes the following findings and orders:

- (1) This Court finds that, in certain unusual circumstances, it is possible for Verisign, Inc. to extend the "Redemption Grace Period" for a deleted domain name for a short period of time to be measured in days, not weeks or months.
- (2) This Court hereby orders Verisign, Inc. to extend the "Redemption Grace Period" for any names deleted from the registrar known as Ondova Limited Company d/b/a Compana LLC on or after June 9, 2009 until July 15, 2009.
- (3) This Court reaffirms its orders to Verisign in paragraphs 4 and (5)(e) of the Preliminary Injunction as amended.

IT IS SO ORDERED.

DATED: July 6th, 2009

Royal Furgeson

THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT JUDGE

John W. MacPete
Texas Bar No. 00791156
JMacPete@lockelord.com
LOCKE LORD BISSELL & LIDDELL LLP
2200 Ross Ave., Ste 2200
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-and-

Melissa S. Hayward
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Doug Skierski
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FRANKLIN SKIERSKI LOVALL HAYWARD LLP
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Tel: (214) 789-9977
Fax: (214) 723--5345

**ATTORNEYS FOR MANILA INDUSTRIES, INC.
AND NETSPHERE, INC.**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

**ONDOVA LIMITED COMPANY,

Debtor.**

§
§
§
§
§

**CASE NO. 09-34784-SGJ-11

CHAPTER 11**

**AFFIDAVIT OF JOHN W. MACPETE IN SUPPORT OF EMERGENCY MOTION FOR RELIEF FROM
AUTOMATIC STAY TO RESTORE AND TRANSFER DOMAIN NAMES PURSAUNT TO
PRELIMINARY INJUNCTION ORDER**

I, John W. MacPete, am over 21 years of age. I have never been convicted of a felony or crime involving moral turpitude, and am otherwise competent to make this Affidavit in Support of the Emergency Motion For Relief From Automatic Stay To Restore And Transfer Domain Names Pursuant to Preliminary Injunction Order. Unless otherwise indicated, I have personal knowledge of the facts set forth herein, and such facts are true and correct.

1. I am an Equity Partner in the law firm of Locke Lord Bissell & Liddell LLP and lead counsel for Manila Industries, Inc. and Netsphere, Inc. in this case. I am also lead counsel for the Netsphere Parties in *Netsphere v. Baron*, and in the Underlying Litigation and I have been their lead counsel for the entirety of those other cases. I am authorized by the Netsphere Parties to make this Affidavit on their behalf.

2. Based upon statements from Defendants' counsel, I concluded that in part, Defendants' buyer's remorse stemmed from their unhappiness with the fact that they were required to cover the cost of domain name renewal charges until the Manila Portfolio was divided up in accordance with the Settlement Agreement.

3. Defendants filed three emergency temporary restraining order motions in the underlying Texas state court seeking an order directing that the renewal costs for the domain names subject to the Settlement Agreement be paid with funds held by third parties. Each time, Judge Hoffman, the state court Judge, denied Defendants' motions.

4. The District Court (Judge Furgeson) found Defendants' well-established proclivity to change counsel for the purpose of delay and/or to get a second bite at the apple (as noted by Judge Hoffman in the underlying Texas state case)¹ created a concern for the District Court that a further "change in counsel might be for the purpose of delay and in an attempt to impede the judicial process." Accordingly, the District Court ordered in the Amendment that certain funds belonging to Defendants be paid to Friedman & Feiger and that such funds were non-refundable in the event that Defendants attempted to change counsel again. As a result of actions later taken by the general counsel of Debtor without consultation with Friedman & Feiger and in violation of an agreement between Friedman & Feiger and counsel for the Netsphere

¹ Judge Hoffman initially made the observation about the purpose of Defendants' multiple changes of counsel at a hearing in chambers on June 5, 2009 that was not recorded. Judge Hoffman repeated those views on the record at a subsequent hearing which was recorded. However, I have not received that transcript yet from the court reporter.

Parties, the District Court orally ordered that the Ondova general counsel was not to take any further actions relating to these matters without consultation and approval from Defendants' lead counsel Friedman & Feiger. Attached hereto as Exhibit A is a true and correct copy of the transcript from a hearing before the District Court on July 9, 2009.

5. I was informed by Tom Indelicarto, Vice President and General Counsel of Verisign that in response to the District Court's Order Extending Redemption Grace Period, Verisign extended the Redemption Grace Period for the deleted names selected by the Netsphere Parties to August 9, 2009.

6. The filing of the Debtor's Bankruptcy Case has already delayed the restoration of the deleted domain names because Debtor and Verisign have refused to restore the deleted domain names due to the pendency of the Bankruptcy Case and the automatic stay. I have had conversations with counsel for Verisign concerning the restore process and the automatic stay and I have been copied on emails between counsel for Debtor and counsel for Verisign in which counsel for Debtor has asserted that the automatic stay applies to the restore process mandated by the District Court's Preliminary Injunction.

7. In fact, the District Court has, with few exceptions, been holding weekly hearings concerning the progress of compliance with the Preliminary Injunction and Amendment. The District Court has held in person hearings on June 12th, June 19th, July 1st, July 9th, and July 28th. The District Court has held a number of telephonic hearings as well, including but not limited to on June 18th, June 25th, July 1st, July 6th, and July 14th. The District Court did not have a hearing of any kind during the week of July 20th because Judge Furgeson was on vacation. The District Court has also appointed a Special Master, Peter Vogel of Gardere Wynne to assist the Court with the numerous technical issues related to this case.

8. Defendants have had seven sets of counsel in the Underlying Litigation (which remains open, but is currently stayed pursuant to an agreement between the Federal District Court and the Texas state court), including in order: (1) Mateer & Schaffer; (2) Carrington Coleman Soleman & Blumenthal; (3) Bickel & Brewer; (4) The Beckham Group; (5) The Aldous Law Firm and the Rasansky Law Firm; (6) Fee Smith Sharp & Vitullo and (7) Friedman & Feiger. With the exception of the Beckham Group, all counsel are listed on Debtors' creditor matrix. *Netsphere v. Baron* was filed at about the time that the fifth set of lawyers withdrew, thus the sixth and seventh counsel are the only counsel that have appeared for Defendants in *Netsphere v. Baron*.

9. On Tuesday July 28, 2009, the District Court held an in-person hearing. The Court converted the hearing on the Motion for Contempt to a status conference. At the hearing, Debtor's general counsel admitted that he had retained Debtor's bankruptcy counsel to file this proceeding without consultation or approval

from Ondova's lead counsel, Friedman & Feiger. Bankruptcy counsel was retained without leave from the District Court in violation of its orders relating to counsel.


I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed at Newport Beach, California on August 3, 2009.

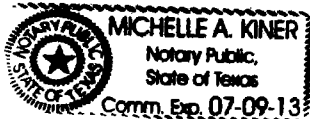

JOHN W. MACPETE

Subscribed and sworn to before me this 3rd day of August, 2009.

My commission expires:

July 9, 2013


Notary public in and for the
State of Texas



1 IN THE UNITED STATES DISTRICT COURT
 2 FOR THE NORTHERN DISTRICT OF TEXAS
 3 DALLAS DIVISION
 4 NETSPHERE, INC., ET AL. (Number 3: 09-CV-0988-F
 Plaintiff, ()
 5 vs. ()
 6 ()
 7 JEFFREY BARON, ET AL. ()
 8 Defendant. (July 9, 2009

10 Status Conference
 11 Before the Honorable Royal Furgeson

12 A P P E A R A N C E S:

14 For the Plaintiff: JOHN W. MACPETE
 LOCKE LORD BISSELL & LIDDELL LLP
 2200 Ross, Suite 2200
 Dallas, Texas 75201
 Phone: 214/740-8662
 Email: jmacpete@lockelord.com
 17
 18 For the Defendant: JAMES KRAUSE
 RYAN LURICH
 FRIEDMAN & FIGER
 5301 Spring Valley Rd., Suite 200
 Dallas, Texas 75254
 Phone: 972/788-1400
 Fax: 972/788-2667 FAX
 Email: jkrause@fflawoffice.com
 22 Reported by: Cassidi L. Casey
 1100 Commerce Street, Rm 15D6L
 Dallas, Texas 75242
 Phone: 214-354-3139
 25

1 have this morning, there is going to be matters that are
 2 covered by the attorney-client privilege, and I was hoping
 3 to ask if we could go in chambers with these lawyers or do
 4 something that Mr. MacPete wouldn't be privy to while
 5 we're discussing these matters. That is our number one
 6 concern is that under Rule 24 which talks about
 7 prejudice — I think even some of the information they put
 8 in their intervention is potentially privileged, and I
 9 know this is not your floor. You may not have chambers on
 10 this floor. But that's a concern I have for this hearing
 11 as well.

12 THE COURT: Okay. Let's do this. I think we
 13 can cover at least some of this initially without
 14 discussing attorney-client matters. But maybe, Ms.
 15 Aldous, you or Mr. Rasinski can go to the podium and just
 16 tell me what was your representation of Mr. Baron and if
 17 there was any result that occurred from the litigation you
 18 were involved in. If you would do that, please.

19 MS. ALDOUS: Absolutely, your Honor. First of
 20 all, your Honor, I'd like to say that I am quite
 21 uncomfortable having to proceed in this fashion. In
 22 twenty-five years of practicing law, I have never had to
 23 take such an action. But both Mr. Rasinski and I really
 24 felt like we had no option in order to protect our
 25 attorneys' fees that we agreed to with Mr. Baron. To give

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1 P R O C E E D I N G S:

2 THE COURT: Thank you. Good to see everyone.
 3 Mr. Frye, call the case.
 4 MR. FRYE: Netsphere, et al vs. Jeffrey Baron,
 5 et al., Cause Number 3: 09-CV-0988-F.
 6 THE COURT: Could I have announcements for
 7 plaintiff?
 8 MR. MACPETE: Yes, your Honor. John MacPete
 9 from Locke Lord for the plaintiffs.
 10 THE COURT: Thank you, Mr. MacPete.
 11 For the defendants.
 12 MR. LURICH: Ryan Lurich and Mr. Krause on
 13 behalf of the defendants.
 14 THE COURT: And for the intervenors.
 15 MS. ALDOUS: Charla Aldous and Mr. Rasanski.
 16 And we're the intervenors in this case.
 17 THE COURT: Thank you. I'm trying to keep a
 18 close eye on this case. And Ms. Aldous and Mr. Rasanski,
 19 you are coming in the case at a critical time, and I want
 20 to make sure I understand what the intervenor request is,
 21 what the view of the other parties are. As I say, this is
 22 a case that has caught my attention. So I'm paying close
 23 attention to it. So Mr. Krause.
 24 MR. KRAUSE: Could I — One concern we have
 25 about allowing the intervention here and the concern I

1 the Court — I don't know if you are interested in a brief
 2 history of our involvement.

3 THE COURT: Just a brief history of things that
 4 are public record.

5 MS. ALDOUS: Yes, sir. We have an attorney
 6 contingency fee with Mr. Baron, and in camera I can
 7 explain to the Court exactly how that came to be. There
 8 were some issues, and it's been well known that originally
 9 after we signed the agreement we thought we were not going
 10 to be involved in the case, and there was disagreement
 11 about that. And we ultimately said, yes, we will proceed
 12 under our contingency fee agreement. We attended on
 13 behalf of Mr. Baron a twenty-two hour mediation which is
 14 the MOU which is the subject of this litigation which was
 15 executed by all the parties. Jeff and I were there with
 16 him for the entire twenty-two hours. There were some oral
 17 modifications — I would say there were agreements or Jeff
 18 asked us to do something in order to make sure that he
 19 could effectuate the MOU. Our goal after the mediation —

20 MR. KRAUSE: Your Honor, we're well past the
 21 public record. These are privileged conversations

22 MS. ALDOUS: I will get down to the —

23 THE COURT: What I can do — Yes, Mr. MacPete.

24 MR. MACPETE: With all due respect to Mr.
 25 Krause, to the respect there is a fee agreement there is

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1 two lawsuits. The privilege is essentially moot with
2 respect to the lawyers and clients they are having the fee
3 dispute on. So Mr. Krause's contention these are
4 privileged and protected from me and the rest of the
5 public is in error.

6 MR. KRAUSE: Your, the law on that is it's
7 waived, and with respect to a dispute between the lawyer
8 and client, it doesn't mean that everybody else that's
9 curious gets to eavesdrop on it.

10 MS. ALDOUS: I can cut to the chase, your
11 Honor.

12 THE COURT: Let's do this. We'll take a recess,
13 Mr. MacPete. For making sure I understand the situation,
14 I am going to excuse you, and I'll talk to the lawyers
15 here, and then I'll ask you to come back in.

16 We'll be right back in touch, Mr. MacPete. So
17 don't leave.

18 THE COURT: And Cass, we'll go off the record at
19 this point.

20 (Conference)

21 THE COURT: Mr. MacPete, to let you know what
22 we're doing, I'm allowing the intervention. They are
23 preparing my an order, and I'll sign that. At the same
24 time I'm staying everything until this matter is resolved.
25 So that won't be an interference with what we're doing.

5

1 THE COURT: That's too many hours, my man.

2 MR. MACPETE: It is.

3 THE COURT: That's a 3,000 hour year which you
4 know is unsustainable.

5 MR. MACPETE: I think somebody mentioned at the
6 last hearing the number of vacations he has missed as a
7 result of this case over the last three years, and I don't
8 think I have gone on vacation in the last three years and
9 canceled at least three associated with this case. So I
10 will be glad it is over.

11 THE COURT: It is a mistake not to take
12 vacations. You know, probably the biggest regret I had in
13 my practice is I forewent vacations. I was just really
14 stupid. You know, kids grow up. Do you have any
15 children?

16 MR. MACPETE: I have one, your Honor, but it's a
17 sad story. He was kidnapped when he was nine. I haven't
18 seen him in five years.

19 THE COURT: Is that as a result of a divorce?

20 MR. MACPETE: It was.

21 THE COURT: That's a very sad story.

22 MR. MACPETE: But I remember what it was like to
23 be a parent, your Honor. -So yes.

24 THE COURT: The things we do to our children.

25 But we'll go forward, Mr. MacPete. What do you

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1 Also I have told Mr. Lurich and Mr. Krause to
2 copy Ms. Aldous and Mr. Rasinski on any e-mails in this
3 case so they can keep up, and they will get all the
4 filings, and Mr. Krause is going to send copies of
5 everything that's been filed here. So that will keep
6 everybody informed.

7 MR. KRAUSE: If I could clarify. We have, you
8 know, probably 30 e-mails a day just dealing with the
9 mechanics of the injunction.

10 THE COURT: Let's say e-mails where you need to
11 talk to me and Mr. Frye. All of your other stuff, they
12 don't need to be involved in that. I'm just saying when
13 it's involving me and filings and so forth like that.

14 Okay. Now, Mr. MacPete. I understand you
15 wanted to bring something else to my attention.

16 MR. MACPETE: I would, your Honor.

17 THE COURT: It's always good to see you three
18 good lawyers. Are you working on any other files right
19 now?

20 MR. MACPETE: Not really.

21 MR. KRAUSE: Not in the last two weeks.

22 MR. LURICH: Trying unsuccessfully.

23 MR. MACPETE: I was just working on my billing,
24 and I think I billed about 256 hours in June, and I think
25 almost every one of them was on this case.

6

1 want to bring up?

2 MR. MACPETE: I thought, first of all, if you
3 had a little bit of time you would probably want to get
4 updated on the preliminary injunction progress, and so I
5 would start there, and let you know last Thursday
6 according to the order my clients produced the documents
7 the Court ordered that we previously agreed we were going
8 to provide to the defendant. They were due last Friday.
9 We produced them last Thursday. We produced the domain
10 server names for everybody to be pointed back to our
11 business on Friday as well. On Friday was the original
12 date for a certain production by us, and the plaintiffs
13 which your Honor then moved when we get into this
14 discussion about business days. So on Monday which was
15 the date your Honor moved the production of the
16 defendants, we got production of two out of three
17 categories which the Court had ordered at the last hearing
18 we had. That was the information that he used to delete
19 the domain names as well as the CSV text files. So those
20 have been produced in a usable form. So we got compliance
21 with those due to the fact that the Court extended the
22 deadline. We did not get full compliance with respect to
23 producing log-ins and pass codes. There were some
24 produced by Monday, actually in compliance with the
25 original Friday. But there are two missing, and one I

8

1 want to talk to the Court about when I get to the end. On
2 Monday was the deadline at five o'clock for all of our
3 domain names to be pointed back to our business.
4 Unfortunately, that deadline was missed, and when we had
5 the telephone conference with your Honor earlier this
6 week, I indicated to the extent there was a little
7 slippage on that deadline I wasn't going to be making any
8 hay about that, and we understood everybody was working
9 hard, and it would be done in due course.

10 On Tuesday, we were still missing 6,000 names
11 from our portfolio that had not been pointed to us yet.
12 So I started to fuss at Mr. Krause a little more about the
13 fact that we had skipped an entire day beyond the time
14 line that was contemplated by the preliminary injunction.
15 We also reconfigured those lists because we got a
16 communication back from the defendants that it would be
17 helpful for them if the lists were configured in a
18 different way, and we did that. I'm not sure why it is
19 that we're having trouble getting compliance with that,
20 but that's still outstanding.

21 THE COURT: How many domain names do you think
22 you are missing?

23 MR. MACPETE: Currently roughly 4,800 and
24 change.

25 THE COURT: How many have you received?

9

1 registrar to lift the hold and assign the names or
2 whatever is required?

3 MR. MACPETE: I think your Honor has already
4 ordered him to change the name server. We're three days
5 past the time for compliance, and I am going to file a
6 motion because, of course, nothing has been deposited in
7 my trust account. I'm kind of informing you as to how
8 things were going. Obviously, there was a lot of
9 compliance with respect to the name server thing, but we
10 still have a lot of compliance that hasn't happened yet.
11 And also there was a 5:00 p.m. deadline yesterday to send
12 out the joint notification to the monetization companies
13 who might be holding money to direct half of that money to
14 Mr. Krause's trust account and half to me on behalf of my
15 clients. Mr. Krause and I worked yesterday diligently.
16 We reached agreement like we know your Honor likes on what
17 the form of that letter would be, and when we parted
18 company, if you will, the understanding was the letter we
19 had agreed on would be the letter sent out by e-mail from
20 Mr. Baron because, of course, Mr. Baron is the one that
21 has the direct relationship with these monetization
22 companies. That didn't happen at five o'clock. Close to
23 midnight I started getting e-mails from an individual
24 named Jay Kline, who's I understand one of these new
25 lawyers who's now the general counsel of Ondova, and he

11

1 MR. MACPETE: Somewhere in the neighborhood of
2 about 280,000.

3 THE COURT: Okay.

4 MR. MACPETE: On Tuesday, we sent them a spread
5 sheet which specifically identified the names that were
6 still, quote, missing to try to make it easier for them to
7 the extent there was some confusion over there.

8 Then on Wednesday we produced according to the
9 preliminary injunction what was known as the allocated
10 names list, that was the random selection from Mr. Baron's
11 side of the portfolio to essentially replace the names
12 that he deleted from our side as well as the other related
13 lists associated with that. As of last evening, we were
14 still missing on the name server issue 4,800 names and
15 change. I sent Mr. Krause a second spread sheet with a
16 listing of those names. And as of this morning, shortly
17 after midnight, what we determined was the names that are
18 missing are in now what's called hold status at the
19 registrar. So they don't resolve anywhere. So in other
20 words, if you try to go to the page, you don't get
21 anything. I'm not sure why that is or what's going on,
22 but that requires a specific action on the part of the
23 registrar to do. So I'm a little in the dark as to what's
24 happening right now.

25 THE COURT: Could I enter an order requiring the

10

1 was sending out notifications to third-party monetization
2 companies, and there were two problems associated with
3 that, your Honor. Mr. Krause and I had agreed on the form
4 of the letter pursuant to the preliminary injunction which
5 said it was supposed to be a joint notice, and the letter
6 sent out by Mr. Kline was not the letter I had agreed to.
7 It was different and in significant ways. So I was
8 obviously unhappy here is another lawyer on the case --
9 not Mr. Krause -- sending out a letter that wasn't agreed
10 to on something that's supposed to be an agreed notice.
11 And in addition to that, he sent a notification to two
12 companies who I had specifically told Mr. Krause earlier
13 in the day his client had put on the list and didn't
14 belong on the list afternoon. I had sent him an e-mail
15 confirming that about five o'clock. "Please do not send a
16 notification to Oversee because that is being dealt with
17 separately by the settlement agreement and not subject to
18 the Court's order about this fifty-fifty division." And
19 obviously, Mr. Kline either didn't communicate with Mr.
20 Krause before these things went out or ignored what Mr.
21 Krause had been told about when notifications were
22 supposed to go out. So that was yesterday. Nothing is
23 due today, and tomorrow is the deadline for us to turn
24 over the restored list. That would be the list of names
25 that were deleted that we want undeleted as part of the

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1 process with VeriSign. So I think that's -- that's the
2 update with respect to the preliminary injunction. There
3 was a new issue which came up with VeriSign that related
4 to the fee associated with the bulk transfer of names
5 pursuant to that state court order that has now been
6 entered, your Honor. And they apparently had a \$50,000
7 fee. The state court said no fee, but VeriSign squawked a
8 little bit about that. It hasn't been documented yet, but
9 I believe Mr. Krause and I have a Rule 11 agreement about
10 how we're going to deal with that fee. So at least we're
11 able to resolve that without a disagreement with the
12 court.

13 And then lastly, I think, your Honor may be
14 interested in disbursement of the funds which were in the
15 state court interpleader, and it's my understanding on
16 Monday the trust department of the state court got the
17 order from the state court to disburse the funds
18 consistent with this Court's order, and I understand they
19 are mailing checks. I haven't seen a check yet. I don't
20 know whether Mr. Krause has, but I understand the checks
21 are in the mail. And that's generally where we are as an
22 update on the progress of the matters in this case. The
23 issues that I'm having.

24 THE COURT: Before you go to that. Let me talk
25 to Mr. Krause and Mr. Lurich a minute. What is Mr. Kline

13

1 THE COURT: Do you have his number?
2 MR. KRAUSE: I don't.
3 THE COURT: What is Mr. Kline's name.
4 MR. KRAUSE: Jay Kline, Jr.
5 MR. LURICH: I believe he practices with Kline
6 and Kline. His father is a lawyer as well.
7 MR. MACPETE: Your Honor, the key factor in
8 that --
9 THE COURT: I've got one in larger print. Is
10 that the one agreed to.
11 MR. MACPETE: That's the one agreed to, your
12 Honor.

13 THE COURT: Okay.
14 MR. MACPETE: The one in smaller print, the way
15 the letter was sent out, the PDF was unable to respond.
16 So I was unable to print it. So I had to do the
17 print-screen thing. So I apologize for it being so small.
18 That's the only way I could print it out.

19 The first letter basically says, We have a
20 contract with you, and any names under that contract, any
21 money you get for names under that contract, you need to
22 pay in this way. So it essentially eliminates the
23 wiggling, if you will, that Mr. Baron has been doing about
24 what he thinks is at issue versus what the lawyers think
25 is at issue.

15

1 up to?

2 MR. LURICH: Candidly, your Honor, I don't know
3 the aspects of everything. I have some e-mail
4 communications with him.

5 MR. KRAUSE: I do think -- and I reported on the
6 call Monday -- he has been hired by Mr. Baron as a general
7 counsel. I think he primarily is involved in helping Mr.
8 Baron on business aspects, and I did not know that he
9 apparently helped Jeff send out these e-mails last night.
10 I don't believe there was a five o'clock deadline
11 yesterday, by the way. I believe they were sent pursuant
12 to the order.

13 THE COURT: Why did Mr. Kline take it upon
14 himself to send an e-mail that was different from the one
15 agreed to?

16 MR. KRAUSE: I don't know the answer to that,
17 but I think the differences are minor. I think what they
18 sent -- When I woke up this morning, I had twenty-five
19 e-mails on my Blackberry. I can't read those on the
20 Blackberry. Earlier in the day when I sent Mr. MacPete
21 the first e-mail draft, I think that's what they used.
22 But any differences can be resolved. John and I knew that
23 we were going to get feedback from these people and have
24 to talk to them. If there is any concerns that need to be
25 addressed, we can do that.

14

1 The first one, by Mr. Kline deletes the sentence
2 we have about the contract, and then it says just monies
3 related to the Simple Solutions and Manassas portfolios,
4 and I have no idea what those are, and I don't know
5 whether that's Mr. Baron again, his personal opinion about
6 the names which are at issue in this lawsuit versus what's
7 actually at issue, and that's the problem I'm having
8 between the two letters, aside from the fact that he sent
9 out a letter I didn't agree to, I hadn't even seen.

10 MR. KRAUSE: Your Honor, I think this is easily
11 fixed. What we heard from one of these folks that wants
12 to see the order -- That's one of the things we need to
13 talk about. I don't think any of these people are going
14 to comply with that request without seeing the order, and
15 we now have the e-mail addresses we can send from the
16 lawyers -- send a clarification e-mail today to resolve
17 this.

18 MR. MACPETE: That issue did come up last night.
19 Unfortunately, I happened to be sitting in front of my
20 computer when this all came out, and I don't know if Mr.
21 Kline is aware the preliminary injunction is sealed. So I
22 immediately responded to the third-party company that said
23 we'd like to see a copy of the order and said You can't,
24 but you are getting the direction from your client. You
25 don't need to see the order. Your client is telling you

16

1 this is how they want the money paid out. The fact that
2 he's been told to do that by the Court is not really
3 relevant for your purposes. So I disagree with Mr. Krause
4 that we need to be showing the order around. That was the
5 whole idea behind Mr. Baron would be the one sending out
6 the notices, coming from the customer.

7 THE COURT: Do we have Mr. Kline's phone number

8 MR. LURICH: The third-party imaging companies
9 are not our clients. We're trying to assist in that
10 process with the remote servers. They wanted to see the
11 orders.

12 MR. MACPETE: We're talking about the
13 monetization company.

14 MR. LURICH: The order we want to send is to the
15 servers.

16 MR. MACPETE: No, you have mixed it up.

17 MR. KRAUSE: Different issues. I think one
18 problem is that not all of these monetization companies
19 have contracts with my client, and we're going to have to
20 show something to them. The order I think is the only
21 thing that can do that to get them to comply with the
22 order.

23 THE COURT: Well, we can work on this a minute.
24 Ms. Casey has the number. What is his number?
25 9-7-2-2-1-7-2-3-9-4.

17

1 lawyer unfamiliar with the facts. That's what I'm
2 complaining about. I think Mr. Kline in this case was
3 probable an innocent dupe.

4 THE COURT: Well, I'm not going to make any
5 judgments.

6 MR. LURICH: Voice mail, your Honor.

7 MR. KRAUSE: I would add from my knowledge of
8 what happened is he was providing help to Mr. Baron
9 sending out the e-mails, and I do doubt that he understood
10 that there were two versions of the e-mail. I don't have
11 any doubts about that.

12 THE COURT: Well, I don't need a lot of chefs in
13 the kitchen. That's my goal. I want to keep you guys as
14 the chefs. I want you guys to keep trying to talk to Mr.
15 Kline. If he has any questions, I will be glad to meet
16 him in court and clarify his instructions. But he may be
17 certainly innocent. He may be being helpful. We just
18 have got to get this straightened right away.

19 Now, Mr. Lurich, what do you have to tell me?

20 MR. LURICH: I'd like to address some of the
21 things counsel informed the Court with respect to the
22 progress of the preliminary injunction. We certainly
23 dispute that there was any noncompliance with respect to
24 the passwords and log-ins. That information was provided
25 by 5:00 p.m. on Friday, July 3rd. As the order says, if

19

1 THE COURT: Mr. Kline, this is Judge Furgeson
2 from federal court. I'm calling you to tell you you may
3 be under some confusion representing Ondova and Mr. Baron,
4 but anything that involves litigation in my Court should
5 be coordinated through Mr. Lurich and Mr. Krause. An
6 e-mail was sent out this last night to we think
7 monetization firms that was not agreed to by the parties,
8 and so I've got to put you in touch with Mr. Lurich and
9 Mr. Krause as soon as possible. If you have any questions
10 about how this is to be arranged or done, we can have a
11 hearing in my court this afternoon or in the next several
12 days so that I can give you clear instructions about what
13 you are supposed to do. But you are not to do anything in
14 regard to the pending litigation.

15 I tell you --

16 MR. KRAUSE: I think he got the point.

17 THE COURT: Why don't you guys try to call? I
18 may have to enter an order on Mr. Kline or advisory.

19 MR. MACPETE: Your Honor, I don't have any
20 problem with Mr. Kline. I think what's happened here is
21 there is a demonstrated track record of playing games with
22 lawyers, and I think this is a situation where Mr. Kline
23 got bamboozled by Mr. Baron who knew very well he was not
24 supposed to send out the letter he wrote and knew it was
25 not supposed to go to Google and Oversee, and he worked a

18

1 my client doesn't have that information we're required to
2 provide an explanation of why we don't have it, can't
3 produce it. We did that. The names counsel is talking
4 about I believe is a company eNom and another company
5 called Sendori. Those are registrars, not monetization
6 companies. My client has passwords with respect to the
7 registrar contact that he has with eNom. I don't think
8 he's telling me he doesn't have any password with respect
9 to Sendori. But the registrar password that my client has
10 was not ordered to be produced. My client did not produce
11 that. With respect -- It's our position there has been no
12 violation. Everything my client has on monetization
13 companies that he had information on he gave.

14 On this issue of the pointing of the domain
15 names, your Honor will recall that on Monday -- Plaintiffs
16 had directed that the domain names be pointed to sixty
17 different sets of name servers. It's our position that is
18 greater than and different than what the Court ordered in
19 the preliminary injunction. Nevertheless, we undertook to
20 point the domain names to those different sets of lawyers
21 (sic). It greatly complicated the task in having to do
22 that, and it increased --

23 THE COURT: What was the explanation for so
24 many?

25 MR. LURICH: The explanation was that parking

20

1 300,000 names at one site would be problematic. I don't
2 believe that's the case because all of those names were
3 parked at one site. So I don't think that was accurate.
4 THE COURT: So what were you instructed to do?
5 Just if there were 60 in the 300,000, just put 5,000?
6 MR. LURICH: No, they provided specific names
7 that they wanted parked at specific places. So it greatly
8 complicated the program that had to be created in order to
9 accomplish that task.
10 THE COURT: You did accomplish it, I take it?
11 MR. LURICH: That's what we were talking about
12 on Monday, and your Honor will recall the plaintiff
13 informed the Court that they believed our client had
14 substantially complied as of that 3:00 time period -- we
15 were on the phone call -- and wouldn't complain about a
16 small delay. And what happened was the imaging process
17 interfered. The company doing the imaging process took
18 the server off-line that was running the program
19 transferring these names and that interfered and stopped
20 this pointing process. So -- And counsel has been very
21 cooperative in getting us the names of the companies (sic)
22 that haven't been pointed yet, and our client is working
23 through to re-point them. Today is the first time I have
24 known about this hold, but I assume it has something to do
25 with locating the names that weren't pointed and getting

21

1 those pointed. And my guess is -- and I will confirm
2 this -- when the imaging process took the server offline
3 that somehow those names got placed on this hold status or
4 in limbo. But my client is working to correct that
5 status, and it will be done.
6 With respect to the letter to the monetization
7 companies that we have been talking about now, the order
8 says send the letter to all monetization companies.
9 That's what my client did. Plaintiffs don't want the
10 letter sent to a couple of companies, but I find that
11 argument interesting because they claim that my client
12 should have log-ins and passwords for Oversee and Google.
13 If they don't want the money split fifty-fifty in
14 accordance with the Court's preliminary injunction -- And
15 the order is clear to direct all third-party monetization
16 companies who are holding or later receive revenue to
17 split that revenue fifty-fifty.
18 THE COURT: Who was this e-mail sent to?
19 MR. LURICH: The ones that are being objected to
20 are Google and a company called Oversee.com.
21 THE COURT: But everybody else has received the
22 instructions?
23 MR. LURICH: The e-mail was sent to the others.
24 MR. KRAUSE: I think that's correct. I haven't
25 been able to read the e-mails. There were probably ten of

22

1 them. Are you aware that any got missed?
2 MR. MACPETE: No, I'm not aware that any got
3 missed.
4 MR. LURICH: The order said send it to all
5 monetization companies. That's what our client did.
6 THE COURT: Okay.
7 MR. KRAUSE: I think yesterday John and I spoke
8 about this particular requirement of the injunction is a
9 little awkward and we decided -- In fairness to my client
10 we decided around 2:30 or 3:00 that my client should send
11 them out, and he didn't get back to his computer until
12 later than that. And I actually went to the eye doctor
13 yesterday at 4:30. He did get them out. There is some
14 concern about the version. But I think John and I both
15 knew we were going to have to contact these people today
16 because they probably wouldn't do anything just because
17 they got an e-mail saying turn over hundreds of thousands
18 of dollars. I think we need to follow-up on that process,
19 and if there is any confusion about which monies we are
20 talking about, we probably need to be able to show them
21 the order of the Court.
22 THE COURT: Well, you know, my view is you can
23 talk to the -- I don't see that there is a problem showing
24 the order. You can tell them that much of the order is
25 under seal, and so if I need to, I can order that the

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1 preliminary injunction order be distributed to these
2 companies on the condition that they sign a
3 confidentiality -- that they be required to sign a
4 confidentiality agreement and comply with the order as
5 written. If they have any questions, they can file
6 something with the Court, file a request with the Court
7 for clarification or whatever.
8 MR. KRAUSE: I think you could order them to
9 maintain the confidentiality without them signing.
10 THE COURT: I think I can. But if they have
11 questions, they can hire an attorney and file something
12 with the Court. I don't want to just keep fighting
13 everything. No, you don't get the confidentiality order
14 because you might tell your next door neighbor. If we
15 need to, let's do it, get it done. I just want to try to
16 move it forward.
17 Now, is there something I'm missing about the
18 confidentiality order, Mr. MacPete?
19 MR. MACPETE: No, the only thing I would say
20 about that, your Honor, is to the extent that we're going
21 to show the unredacted version of the preliminary
22 injunction to anyone, what I would like is for them to
23 maintain confidentiality and destroy it as soon as you are
24 done with it.
25 THE COURT: And you can prepare an order, and I

24

1 will sign it. By the way, Mr. Lurich and Mr. Krause, what
2 about that 4,800 names?

3 MR. LURICH: That's — Those are the names that
4 are on hold status. I just was alerted to the fact that
5 they are on the hold status, and I think it's because the
6 server was taken offline to accomplish the imaging, that
7 that messed up the program in pointing those names. So I
8 will immediately contract my client and make sure that is
9 straightened out.

10 MR. KRAUSE: Your Honor, you may remember there
11 are three remote servers, and that greatly complicated the
12 imaging process. Two of them require the order. But one
13 of them did not. When a live person showed up Monday
14 morning, that one proceeded. Unfortunately, that was the
15 server being used to transfer the names. I do believe
16 that is what resulted in what's really a small fraction of
17 the total getting lost in the process.

18 THE COURT: Well, if we have 280,000 names
19 transferred basically and we're only missing 4,800, then
20 you know, there has been an enormous amount of compliance.
21 So we need to figure out how to comply with that last
22 4,800.

23 MR. MACPETE: Your Honor, like I said on the
24 phone, I wouldn't be fussing if this was Tuesday and they
25 had a problem on Monday because the server got interrupted

25

1 to do it so we can get those monetization firms. Does
2 anybody have a conceivable idea of how much money those
3 firms are holding total?

4 MR. KRAUSE: I do not. And I think it may be —
5 Well, I don't. There is something — I'm recalling a
6 discussion about these are monies that accrue based upon
7 the hits on the advertising, but now I'm remembering this
8 is an end date. I think at this point we're past the
9 date. Is that right, John?

10 MR. MACPETE: Well, that was predicated on
11 moving the names. So.

12 MR. KRAUSE: So the answer is no, I do not know.

13 THE COURT: Okay. Mr. MacPete, your goal has to
14 move these almost 300,000 names to 60 different
15 registrars.

16 MR. MACPETE: 60 different name servers. The
17 server is like a big computer, if you will, your Honor,
18 and if you think about this, when you have traffic coming
19 in, it's kind of like plumbing. If you got 300,000 names,
20 and if they are all kind of getting hit on at the same
21 time, you have a tremendous amount of traffic coming in
22 that can shut down the server. And you may have read the
23 news reports the other day about denial of service that
24 happened from North Korea. That's kind of what's happened
25 here. The reason there are 60 different servers is you

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1 and then everything showed up on Tuesday. But now we're
2 here on Thursday, and we still don't have them, and that's
3 the problem I'm having. They are missing and now in this
4 hold status which took an affirmative action by the
5 registrar, and it doesn't make sense to me. Something is
6 happening, and I'm not sure what it is.

7 THE COURT: Let's do this. If you don't have it
8 Monday, you need to call me Monday morning and tell me
9 why, why this has not been done.

10 It sounds like to me you have an explanation.
11 That's why I may have to pull our special master in. In
12 fact, you may want to talk to the special master about
13 this — that's why he's there — and see what he has to
14 say. I will be guided in large degree of his views to
15 whether somebody slow planned or there is legitimate
16 explanations. So he is going to be a big part of my kind
17 of view on all of this stuff. So you guys talk to him
18 today and get him involved in this and see what he has to
19 say. But we do need to get that 4,800 done.

20 MR. KRAUSE: Unless there is a technical
21 problem, I think it will be well before Monday.

22 THE COURT: Also, I need as far as the
23 monetization firms — I just want to get that money, you
24 know. And so if I need to sign another order on
25 confidentiality and you know and so forth, I will be glad

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1 need to keep the traffic open to get to the web sites.

2 THE COURT: That's accomplished

3 MR. MACPETE: It's accomplished and not unusual.
4 So the idea that they would all go to one server is not
5 right. When these names were originally taken three years
6 ago, they were at many, many different name servers. So
7 he knew how to take them. It wasn't that complicated for
8 him to put them back, and when they asked us to
9 reconfigure, we sent him the 60 different names and the
10 name server. We did more than we were required to make
11 the process easy, and we have offered technical assistance
12 all along. It hadn't been taken up. But we haven't been
13 trying to create a problem. We have been trying to work
14 with them to get compliance rather than say, Oh, they
15 haven't complied, and we got you.

16 THE COURT: I appreciate that, and I know how
17 hard you guys are working, and I want you to stay at it,
18 but at this point I may need Mr. Vogel's assistance in
19 deciding whether Mr. Baron is messing up the system or
20 there are legitimate explanations for it. Mr. Krause and
21 Mr. Lurich have at least given me what they understand to
22 be the problem, for example, with the 4,800 names. But I
23 would need Mr. Vogel to make sure he would understand that
24 and then explain it for me.

25 You can always file your motions for contempt,

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1 but before you do it, I would like you to get Mr. Vogel on
2 the line and talk to him. Okay?

3 MR. MACPETE: Okay. Like I said, I haven't
4 rushed down with a motion for contempt yet. I'm trying to
5 work with them, but I also know that they have a client
6 who's extremely resistant to complying with what the Court
7 has directed, and I have to balance how much slippage am I
8 going to allow in the Court's order and when am I being
9 taken advantage of because he's very sophisticated about
10 getting all the wiggle room that he possibly can.

11 THE COURT: And I understand your suspicions,
12 and you tell your client which I know is probably
13 breathing down your back that you are keeping me
14 thoroughly informed of your suspicions, and I'm telling
15 you that you always have the right to file a motion, but
16 in the meantime, keep working together.

17 MR. MACPETE: We're doing that, and like I said,
18 I don't think it's a problem with counsel. We seem to be
19 getting along fine and the hiccup in the letter was the
20 problem with the other counsel, not a problem Mr. Krause
21 and I are having.

22 THE COURT: Well, Mr. Kline will get my
23 interrupted message and not make that mistake again.
24 Anything else?

25 MR. MACPETE: Yes, your Honor, with respect to

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1 the letter and the Google and Oversee, the reason they are
2 not supposed to get a notice is under Paragraph 6 of the
3 Settlement Agreement the issue with Oversee and Google --
4 You may remember, your Honor, and you may not -- was at
5 the very beginning. After Mr. Baron hijacked the
6 portfolio, the first company he sent the names to was this
7 Oversee.net company, and Oversee.net, like Netsphere my
8 client, was a company that had a contract with Google. So
9 Google was essentially providing the advertisements on
10 Oversee pages, and Google had an exclusive license with
11 Netsphere. So when Google found out the names were
12 hijacked and run through Oversee on an illegal platform,
13 Google said, No, we're not allowing this to continue
14 because you have caused a breach of our license agreement
15 with Netsphere, and we're not paying. And when Google
16 didn't pay, Oversee didn't pay either. That's this issue.
17 Under the Settlement Agreement, this particular dispute
18 with Google and Oversee and the contracting entities --
19 the USVI entities not here, but they assigned the Oversee
20 lawsuit to my clients -- and I'm responsible for
21 prosecuting that and for recovering that money. And then
22 the money which is recovered from Oversee or Google as
23 part that litigation is going to be put into what's known
24 as the indemnity fund. And the indemnity fund is being
25 used to settle and otherwise defend existing third-party

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1 trademark litigation related to the portfolio. So it's
2 not money that's supposed to be directly distributed to
3 him or my clients. It's money that is supposed to go into
4 the indemnity fund to handle those other cases.

5 THE COURT: So does that e-mail need to be
6 rescinded?

7 MR. MACPETE: The one to Google and the one to
8 Oversee.

9 THE COURT: Mr. Krause.

10 MR. KRAUSE: Well, there is another argument
11 that can be made that the preliminary injunction
12 supercedes that language which it says if you read the two
13 provisions of the preliminary injunction, there was
14 literal compliance with sending the notification to the
15 third-party monetization companies, and the injunction
16 states at Paragraph 9 that it supercedes essentially the
17 MOU. I'm willing to, you know, shelve that issue until we
18 can determine it later. I don't want to receive funds
19 that are supposed to go somewhere else. I'm willing to do
20 that. But there is an issue there. I wanted the Court to
21 know there is an issue there.

22 THE COURT: You will reserve that issue and in
23 the meantime go ahead and rescind the e-mails to Google
24 and Oversee.net and we'll reserve that argument until
25 later. So that will be done.

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1 MR. MACPETE: The last two things I had for your
2 Honor -- And these were the most urgent things that I
3 needed the Court's help on today. You heard Mr. Lurich
4 talk about the log-in codes for eNom and Sendori. And I
5 think that he was mistaken in that one of those companies
6 is a registrar, and that's eNom. And one of those
7 companies is a monetization company, Sendori. As part of
8 the process of trying to work cooperatively with
9 Mr. Krause after we had the teleconference with your Honor
10 earlier this week, I sent over to Mr. Krause a number of
11 documents which proved that Mr. Baron has a log-in and
12 pass code for eNom and an account there, and he is using
13 Sendori as a monetization company with respect to one of
14 domain names on his registrar, and I provided that domain
15 name to him voluntarily in the hopes that he would be able
16 to persuade his client to turn over those log-ins and pass
17 codes. Your Honor may remember when we had the hearing
18 that resulted in the order to turn over those codes, I
19 told you about a process called drop-catching, and that's
20 a situation where, you know, the name is in the redemption
21 grace period. In other words, it's been deleted and when
22 it comes out of that redemption grace period, it becomes
23 available to anybody in the public to register. And so if
24 you know a name is going to come up, you can simply
25 schedule with eNom or other companies that do this to

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1 essentially pick up that name as soon as it becomes
2 available. If your Honor recalls that was one of the
3 things I was concerned about might be behind the seemingly
4 irrationality of these delete names. He could delete
5 those and they are outside the purview of the Settlement
6 Agreement and pick them up on the drop side with eNom, and
7 you recall when I asked about the log-ins and pass codes,
8 that was one I especially wanted because of course you
9 would see in the account what names he has essentially
10 scheduled to drop catch, and that would be very important
11 to know before my clients have to produce the restored
12 list because obviously those are the valuable ones he was
13 trying to get outside the purview of the Settlement
14 Agreement.

15 THE COURT: What was the problem Mr. Krause
16 explained to you about the problem with the log-in and
17 pass code?

18 MR. MACPETE: Apparently, what we just heard
19 from Mr. Lurich is Mr. Baron says the language of the
20 order says monetization company, and eNom is not a
21 monetization company. Therefore, I don't have to comply,
22 even though the Court's order says produce the log-in and
23 pass code for eNom. That's the argument that he's
24 standing on.

25 THE COURT: Well, Mr. Lurich, Mr. Krause.

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1 be given the log-in and pass code for eNom so that he can
2 see what's in there and he can understand what Mr.
3 MacPete's concerns are, and if the concerns apparently are
4 verified by the special master, then we will come and have
5 a hearing on Monday it.

6 MR. MACPETE: Here is the problem I have with
7 that procedure, your Honor, and I'm sorry to fuss about
8 this, but our restore list which has now been extended two
9 other times as a result of noncompliance by Mr. Baron is
10 due tomorrow at five o'clock, and it can't be extended any
11 further because VeriSign has indicated that they have
12 extended the grace period to July 15, and that's all they
13 can do. So I'm out of time, and he has been slow playing
14 this now for more than a week.

15 THE COURT: Can he pick these names up without
16 anybody knowing about it?

17 MR. MACPETE: Yes. That's why he doesn't want
18 to turn over the password or log-in for eNom because he
19 may be poised to pick up these names on July 15. And now
20 I'm hearing from Mr. Lurich for the first time that there
21 may be other names that Mr. Baron thinks are not at issue
22 in this case -- and you know, I don't agree with his
23 analysis of this case -- that may be parked there as well.
24 So he's clearly hiding something. He absolutely admitted
25 to his counsel he has a log-in and pass code. He's been

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1 MR. LURICH: My understanding from my client,
2 eNom is a registrar, but they do have a division or
3 whatever you want to call it that does monetization
4 functions. My client does not have any business with the
5 monetization aspect. His only business is with the
6 registrar.

7 THE COURT: What's his objection to giving the
8 registrar information?

9 MR. LURICH: The registrar information opens up
10 everything he has with respect to those names, how long he
11 has had them. It's different names, different portfolios,
12 and we're getting above my head here. But the arguments
13 that we have heard previously as to why plaintiffs needed
14 this information is because they needed to see where and
15 how much these accounts have been monetized so they can
16 determine their value. We're hearing a different argument
17 today as to why they need my client's registrar passwords
18 and log-in, and that's not been talked about previously.

19 THE COURT: We're talking about eNom and
20 Sendori?

21 MR. LURICH: My client says he does not have a
22 log-in and password for Sendori. We have been hounding
23 him, and he says he doesn't have one.

24 THE COURT: I am going to enter a verbal order.
25 We're going to get the special master involved. He is to

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1 slow playing this because he knows my deadline is
2 tomorrow, and if I don't have it, I can't do anything with
3 it. And this is the third time your Honor has extended
4 it, and we're out of runway at this point.

5 THE COURT: Mr. Lurich.

6 MR. LURICH: I don't believe that's accurate.
7 What we've heard for the last couple of weeks is they need
8 the information as to why the names are deleted so they
9 can determine if they are of value and if they can restore
10 them. They have been given that information. This
11 information as to a registrar pass code and what the
12 registrar has and what they give access to is above my
13 competence. I don't know that. I do know, however, that
14 it is entirely different than the information you get by
15 getting a pass code at a monetization account.

16 MR. MACPETE: I agree with that last statement,
17 your Honor, but it's absolutely relevant, and his counsel
18 have represented to this Court that he's not trying to
19 pick up any of those deleted names. So let's test the
20 truthfulness of that representation to this Court and see
21 whether he has anything in eNom that he is trying to pick
22 up. That's absolutely relevant as to whether we would
23 keep it. If he's trying to drop catch it, that tells us
24 he deleted it for a bad purpose and is trying to get it
25 out of the Court's purview. I told the Court about this

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1 when I asked you to order him to produce this.
2 THE COURT: What is the restore list? How have
3 you been able to prepare your restore list?

4 MR. MACPETE: What we did is we took the
5 historical information about what we had about what the
6 names did when we were in control of our business which is
7 over three years old, and we took the log-in codes they
8 have produced so far and used the financial information we
9 could come up with from those monetization companies to
10 determine what they have been doing during the period of
11 time that we have been divorced from our business, and
12 that information is spotty. For instance, he produced a
13 pass code for Hitfarm, but it's expired. That didn't help
14 us. And he had a copy of our pass codes he produced which
15 were expired. But what we have done is taken all the
16 financial information that we were able to acquire about
17 past conduct and what they are presently doing whenever
18 they are parked to the extent we got pass codes for that,
19 and we have analyzed which names appear to be valuable.

20 THE COURT: How many names do you have on your
21 restore list?

22 MR. MACPETE: We sent a list to VeriSign the
23 other day for what was what. They were supposed to extend
24 the grace period for 75,000 names. We told them that was
25 a list we were having trouble putting together because of

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1 the noncompliance with the Court's orders previously about
2 producing the information we needed. So we were doing the
3 best we could under the time crunch that we had. But we
4 didn't feel comfortable that we had been able to do what
5 we needed to do. But we understand that VeriSign is out
6 of runway. So we had to do something. We understood if
7 they didn't have a list by Tuesday, noon time, they were
8 not going to extend the grace period to prevent those
9 names from going out to the public and being lost. So we
10 did what we could.

11 THE COURT: How can you secure these names now
12 under VeriSign's time?

13 MR. MACPETE: Essentially what we're supposed to
14 do by tomorrow is we're supposed to have the full restore
15 list to give the defendants in this case, and what
16 VeriSign basically said is if you find other names because
17 you are still running your processes -- I mean we have
18 fourteen people working on this every day since this order
19 has come out. If we have additional names -- The first
20 batch of names, if you will, were deleted on June 9 and
21 those essentially will expire, if you will, go out to the
22 public, on July 9 if the redemption grace period is not
23 extended.

24 THE COURT: Let me ask. Do you know what the
25 seventy-five thousand names are?

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1 MR. MACPETE: Yes, we do.

2 THE COURT: Why don't you restore all of them?

3 MR. MACPETE: VeriSign basically asked us -- You
4 ordered that, but VeriSign said it's difficult for us to
5 do this. It's a very time consuming process, and
6 essentially we want you to tell us the names that you
7 think you are going to want undeleted as opposed to
8 extending the grace period for everything, and obviously
9 as the operator of the .com and .net industry, they are an
10 important player to play nice in the same box with. So we
11 were balancing their request that we not hit them with the
12 full seventy-five with the need to make sure we were not
13 going to miss anything.

14 MR. KRAUSE: Your Honor, one point.

15 THE COURT: Okay.

16 MR. KRAUSE: We're building some hysteria here
17 on the assumption that my client is intending to drop
18 catch deleted names. That's not anything they have ever
19 heard from our side, and that is something that Mr. Vogel
20 could verify. Our client has told us he has no
21 intention -- These names were deleted because they had
22 made a determination these were not very valuable names,
23 and that's part of the information we had to provide to
24 Mr. MacPete, and he has no intention of trying to drop
25 catch any of these names.

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1 THE COURT: Well, I understand that. Mr.
2 MacPete, why can't I enter an order saying restore 75,000
3 names?

4 MR. MACPETE: You have done that, your Honor.
5 You have already issued that order.

6 THE COURT: Why is Verisign -- I realize it
7 creates problems but why --

8 MR. MACPETE: I believe that the problem for
9 VeriSign -- In other words, you can't keep extending this
10 redemption grace period.

11 THE COURT: I don't want to extend it. Just
12 75,000 names restored. No extension.

13 MR. KRAUSE: Well, your Honor, I think there is
14 mechanics. That is a cumbersome process on the
15 registrar's end, and John, correct me if I'm wrong about
16 the 40,000 number. VeriSign is saying they can do it --
17 Not just extending the period but undeleting them, there
18 is a payment of a \$50,000 fee, and we're about to argue
19 who should pay that fee because I don't know that there is
20 any way my client can undelete 40,000 names. That's one
21 of the reasons we agreed to the structure of the
22 preliminary injunction where we're giving them some of our
23 names to compensate them for any deleted names that came
24 off their list, the two piles, the coin flip. It's an
25 unusual situation. So I don't know that VeriSign can do

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1 70,000, but they are saying they can do around 40,000.
2 THE COURT: Well, let me tell you what I am
3 going to do. This is a special master problem. I realize
4 that you've got high suspicions, that you think he's about
5 to drop catch 75,000 names that are worth twenty-five
6 billion dollars. I am going to bring the special master
7 in, and we're going to have to have him in here next
8 Monday and go through all of this and give him his
9 marching orders. I don't know who's playing what where
10 and so forth. So I'm not going to order the pass code
11 right now. We're going to set a hearing at two o'clock
12 Monday afternoon, and everybody is going to be in here
13 with the special master and with Mr. Baron, and we're
14 going through this. It may be that Mr. Baron is going to
15 pull a fast one that I can't do anything about ever
16 because this stuff is so screwy. But at this point, I'm
17 pretty much at my limit of what I am going to be able to
18 do here. It seems like I just go further and further into
19 the depth of this problem, and I don't have any help from
20 anybody because you guys are just doing the best you can
21 for your clients.

22 MR. MACPETE: Well, your Honor, one thing I
23 would point out about this is we have a protective order
24 in this case, and if Mr. Baron has nothing to hide, if Mr.
25 Baron is not drop catching names at eNom, there is nothing

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1 particularly sensitive about whatever he has at eNom, and
2 it would be protected by the protective order. So I guess
3 from my point of view, your Honor, I don't see why the
4 log-in would not be ordered to be produced so we can see
5 what's there.

6 THE COURT: I am going to produce it. But I
7 will tell you if there is nothing there, you are going to
8 pay the \$50,000. So I am going to order it produced, but
9 you will pay everything that requires to undelete these
10 names. That's your risk. So you want to take that risk,
11 the \$50,000 is your ticket.

12 MR. MACPETE: I understand, your Honor. I will
13 need to ask my clients if they want to take that risk.
14 But I will ask them and get with Mr. Krause about what
15 we're going to do.

16 THE COURT: So you understand if they are going
17 to pay that \$50,000, then the pass code and log-in for
18 eNom has to be produced today. But that's the order. By
19 the way, you guys need to get these transcripts from these
20 hearings. But tell your client that's their risk. They
21 can take it.

22 MR. MACPETE: And your Honor, if we're able to
23 get VeriSign to waive that fee, is that okay?

24 THE COURT: If you can. Whatever.

25 MR. MACPETE: I don't know if we can. But I

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1 just --

2 THE COURT: Whatever fee it is from VeriSign,
3 you have to pay it if I order that password and log-in.

4 MR. MACPETE: Last thing I have, hopefully not
5 as controversial as the eNom pass codes, we have these
6 existing third-party trademark cases outstanding and
7 couple going on right now in which off codes and unlocking
8 has been requested of the registrar, and that's necessary
9 to transfer the domain names to the plaintiff trademark
10 owner.

11 THE COURT: Is this time sensitive?

12 MR. MACPETE: It is.

13 THE COURT: Have you talked to the special
14 master about this? Is there anywhere a point where I can
15 get to a point where the special master can start helping
16 you with some of this stuff?

17 MR. MACPETE: I suppose, your Honor. I think
18 that's outside the scope of what we were originally
19 contemplating with Mr. Vogel, and I think this is fairly
20 simple.

21 THE COURT: It's simple, but they are in total
22 disagreement with what you are asking, correct?

23 MR. MACPETE: I don't know that they are, your
24 Honor, actually.

25 MR. KRAUSE: I think I just heard about this

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1 issue yesterday. My client is in the middle of almost
2 daily deadlines, and we can't add to what he's doing until
3 he gets through with what he has to do before the 15th,
4 but the last headache is how we're going to undelete these
5 forty or however many thousand, and that is a big headache
6 because my client has only done a few of those, a handful
7 in the past, and he thinks it takes several days to do one
8 or two of them. We can start adding additional burdens at
9 that point.

10 THE COURT: I am really concerned about this.
11 In other words, if I don't make a decision today, all of
12 those trademark cases get lost?

13 MR. MACPETE: What I understand from the counsel
14 who's handling is if we turn over the domain names that
15 have been requested, those cases will go away for no
16 payments, and if we don't file them by Friday, they are
17 going to file a cyber squatting lawsuit and ask for
18 hundreds of thousands of dollars in damages. So we can
19 get rid of them Friday for free. But I can't get their
20 attention. The preliminary injunction orders him to do
21 these things. He doesn't have any deadlines today, your
22 Honor.

23 THE COURT: I understand. It seems to me that
24 we're dealing with enormous numbers of things right now.

25 MR. MACPETE: We are.

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1 THE COURT: And so these matters are in
2 litigation and some judge has said you do it by this time
3 and nobody can explain to the judge why this is?

4 MR. MACPETE: No, your Honor, these matters are
5 at the pre-litigation stage where the holder has said I
6 will not file a lawsuit and go away as long as you give me
7 my names, and if you don't by Friday, I will file a
8 lawsuit and ask for damages.

9 THE COURT: And nobody can explain this to
10 anybody. Nobody can explain the problems we're having
11 here to these people?

12 MR. MACPETE: The trademark plaintiffs, your
13 Honor, to be honest with you are not overly sympathetic
14 with Mr. Baron because he has a long history of entering
15 into settlement agreements and renegeing and doing things
16 that trademark holders think are problematic.

17 THE COURT: Well, let them file the lawsuit.
18 The world doesn't stop when a lawsuit gets filed.

19 MR. MACPETE: No, it doesn't. But we have a
20 unique opportunity here to eliminate cases without paying
21 any money, and there is a limited amount of money in this
22 indemnity, your Honor, and we need to protect it for other
23 existing cases now. And having cases for no reason other
24 than Mr. Baron doesn't feel like providing the off codes
25 which is a simple thing for him to do is what I'm trying

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1 done in thirty seconds and he didn't do it and cost you
2 guys \$200,000 then you get the \$200,000 they are holding.
3 At some point, I can't, you know, do everything minute by
4 minute, and that's all I can tell you.

5 MR. JURICH: Judge, I need to say something. My
6 client feels like he's being piled on. We have this
7 e-mail yesterday afternoon and said you have to do this by
8 Friday, and then we got discovery that was served on the
9 counsel in the Virgin Islands on June 19th. We get the
10 e-mail yesterday that said, oh, by the way, we need this
11 by June 19. So there is many things wasted that could
12 have been given to my client so that he could assist in
13 these defenses.

14 THE COURT: Well, talk to them about it. If
15 those people want to file their lawsuit, you can tell them
16 the federal judge said file the lawsuit. I see lawsuits a
17 lot. I know you are tired, working hard, up at 3:00
18 o'clock in the morning reading e-mails. I understand
19 that.

20 My sympathies go with you. My empathy goes with
21 you. That's good enough. Keep working together.

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1 to avoid.

2 MR. KRAUSE: Your Honor, could I make a
3 suggestion? This came up yesterday and Ryan and I have
4 not had a chance to discuss the information. If we can't
5 get some resolution here early afternoon maybe we will
6 agree to see if we can get you on the phone. Neither one
7 of us have talked to our client about this yet. And so I
8 don't know that we're even talking about an issue.

9 THE COURT: I don't know if you are or not. All
10 I'm saying is somebody is going to have to pay some money.
11 If these people think that they can give you a deadline
12 that's artificial and if you don't jump through the hoops
13 they are going to file a lawsuit and never settle with you
14 again, there is nothing I can do about it. At some point
15 I can't meet everybody's deadline at every thirty seconds.

16 MR. MACPETE: I understand, your Honor. We're
17 talking about less than twenty names, and it's a simple
18 thing to give us the off code so we can turn it over and
19 settle the matter.

20 THE COURT: It sounds simple. If it turns out
21 because he didn't do something he could have done and
22 fails to do it, he's going to pay for it. I've got a hold
23 of a lot of money on him. It may be that all of that
24 money is going to pay for the trademark stuff. And if he
25 does things and Mr. Vogel tells me this could have been

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1

2 CERTIFICATION

3 I, Cassidi L. Casey, certify that during the
4 proceedings of the foregoing-styled and -numbered cause, I
5 was the official reporter and took in stenotypy such
6 proceedings and have transcribed the same as shown by the
7 above and foregoing pages 1 through 47 and that said
8 transcript is true and correct.

9

10 I further certify that the transcript fees and format
11 comply with those prescribed by the court and the Judicial
12 Conference of the United States.

13

14

15

s/Cassidi L. Casey

16

CASSIDI L. CASEY
UNITED STATES DISTRICT REPORTER
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION
CSR NUMBER 1703

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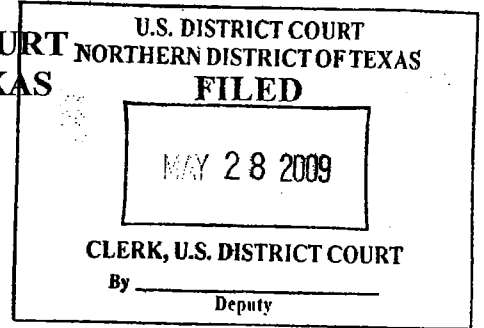
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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**



NETSPHERE, INC.,
MANILA INDUSTRIES, INC.; and
MUNISH KRISHAN

Plaintiffs,

vs.

JEFFREY BARON and
ONDOVA LIMITED COMPANY,

Defendants.

§
§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. _____

3-09CV0988-M

JURY TRIAL DEMANDED

ORIGINAL COMPLAINT

Plaintiffs Netsphere, Inc., Manila Industries Inc. and Munish Krishan (collectively "Plaintiffs" or "Netsphere Parties"), by and through their undersigned attorneys, hereby file this Original Complaint against Defendants Jeffrey Baron and Ondova Limited Company (collectively "Defendants"), and allege as follows:

PARTIES

1. Plaintiff Netsphere, Inc. ("Netsphere") is a Michigan Corporation, having its principal place of business at 1300 Bristol Street North, Suite 200, Newport Beach, California 92660.

2. Plaintiff Manila Industries, Inc. ("Manila") is a California corporation, having its principal place of business at 23312 Eagle Ridge, Mission Viejo, California 92692.

3. Plaintiff Munish Krishan ("Krishan") is an individual residing in Mission Viejo, California, and is the sole officer, director and shareholder of Manila and president and majority shareholder of Netsphere. Manila, Netsphere, and Krishan shall be referred to collectively as the "Netsphere Parties."

4. Defendant Jeffrey Baron ("Baron") is an individual residing in Texas and may be served personally at his place of residence at 2200 E. Trinity Mills Rd Carrollton, Texas 75006.

5. Defendant Ondova Limited Company ("Ondova") is a Texas limited liability company with a principal place of business at P.O. Box 111501, 2030 Jackson Street, Carrollton, Texas 75011. Plaintiffs are informed and believe and based thereon allege that Baron is the president and sole owner, employee, officer and/or director of Ondova and its alter ego.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 as complete diversity exists between Plaintiffs and Defendants and the amount in controversy exceeds \$75,000.00 (US).

7. This Court has personal jurisdiction over Defendants due to the fact that they are citizens of Texas and continuously do business in this judicial district. Further, the contract at issue was entered into in this judicial district and a substantial portion of the performance of the transaction at issue was to take place in this jurisdiction.

8. Exercise of jurisdiction in this suit comports with the due process requirements of the U.S. Constitution.

9. Venue is proper in this Court under 28 U.S.C. § 1391(a) because a

substantial portion of the events, or omissions, giving rise to Plaintiffs' claims occurred in the State of Texas and in this judicial district.

FACTUAL BACKGROUND

10. Manila is in the domain name registration and monetization business. To build an Internet domain name portfolio, Manila initially used proprietary computer software licensed from Netsphere to automatically identify and register popular generic and descriptive words and word combinations as Internet domain names. Manila was the owner and registrant-of-record and Netsphere was the exclusive licensee of several hundred thousand of these automatically-registered domain names.

11. Pursuant to the license, Netsphere monetizes Manila's domain names by operating webpages associated with the domain names that contain advertising links. Advertisers pay a small fee every time a user clicks on one of the advertising links. This arrangement is referred to as "domain name parking." Even though the individual click-through fee paid by advertisers is very small, the aggregate revenue is significant due to the sheer number of domain names in Manila's portfolio.

12. Ondova is a licensed bulk domain name registrar and is in the business of registering domain names to customers throughout the United States through its interactive website at www.budgetnames.com. Plaintiffs are informed and believe and based thereon allege that Baron is the alter ego of Ondova, and Baron is therefore liable for the acts of Ondova. Recognition of the privilege of separate existence would promote injustice and a fraud against the Plaintiffs because Baron in bad faith dominated and controlled Ondova as follows: a). Baron is the president and sole owner, employee, officer and/or director of Ondova; b). Baron has commingled funds and other assets of Ondova for his own

convenience and to assist in evading legal obligations; c). Baron has failed to adhere to corporate formalities for Ondova, namely he has failed to maintain minutes and/or adequate records of Ondova; d). Baron has diverted funds and other assets of Ondova to other than corporate uses; e). Baron has used Ondova as a mere shell, instrumentality, or conduit for his domain name business; f). Baron has diverted assets from Ondova to himself to the detriment of creditors, including the Plaintiffs; and g). Baron contracted with Plaintiffs with the intent to avoid performance by use of the corporate entity of Ondova as a shield against personal liability.

13. Manila's domain names are associated with a particular nameserver and IP address. When a user enters one of Manila's domain names in a web browser, the nameserver associated with that domain name directs Internet users to the website established by Netsphere. The identification of the nameserver and IP address is critical to ensuring traffic is directed to a specific website so that Netsphere and Manila can generate revenue. In the past, Manila (as registrant) has provided information to Ondova (as registrar) regarding where the nameserver should direct traffic and Ondova has complied with Manila's instructions regarding designation of the proper nameserver and IP address.

14. Based on their registrar-registrant relationship, in 2005 Baron initiated discussions with Manila's principal, Krishan, regarding a possible joint business opportunity. Although preliminary steps were taken, the joint business between the Netsphere Parties and Defendants was never consummated.

15. A dispute arose between the Netsphere Parties and Defendants regarding the ownership of Manila's domain names (hereinafter the "Manila Domain Names"). Despite the fact that a joint venture was never finalized, Defendants claimed that they were entitled to half of the Manila Domain Names. As a result, and because he had the control to do so, Baron engaged in improper

“self-help” with regards to the Manila Domain Names. Specifically, on November 13, 2006, without warning and without Manila’s permission, Baron and Ondova changed the IP addresses/Nameservers for the Manila Domain Names from the IP addresses/Nameservers selected by Manila to new IP addresses/Nameservers selected unilaterally by Ondova, via its registrar interface with VeriSign¹. By improperly changing the IP addresses/Nameservers for the Manila Domain Names, Ondova diverted Manila’s web traffic from the pages operated by Netsphere and its ad provider to pages operated by a different domain parking provider. As a result, the Netsphere Parties no longer had, or have, control of the content of the webpages or the revenue generated therefrom.

16. Manila instructed the Defendants to take corrective action to direct the Manila Domain Names back to their original IP address/Nameserver so that the domain names are properly associated with Netsphere and the ad provider it has engaged. Nevertheless, the Defendants refused to return the Manila Domain Names or to cooperate in requiring the parking companies with whom the Defendants had engaged to pay the Netsphere Parties their share of the revenues.

17. On or about November 15, 2006, Manila, Netsphere and Krishan filed an Original Complaint in the United States District Court for the Central District of California, captioned *Manila Industries Inc., et al. v. Ondova Limited Co. d/b/a Ondova LLC, et al.*, (No. SACV06-1105 AG) (the “Cal. Conversion Case”) for Conversion and seeking a Declaratory Judgment as to the ownership rights to the Manila Domain Names, as well as other domain names originally owned by Ondova (“Ondova Domain Names”)(the Manila Domain Names and Ondova Domain Names are collectively referred to as the “Domain Name Portfolio”).

18. On or about November 14, 2006, Ondova filed its Original Petition

¹ VeriSign is the .com/.net registry operator.

for Declaratory Judgment in the 68th District Court, Dallas County, Texas, captioned *Ondova Limited Company v. Manila Industries, Inc., et al.* (Cause No. 06-11717)(the “TX DJ Case”) also seeking a determination of the rights of the parties with regard to the Domain Name Portfolio. The Cal. Conversion Case and the TX DJ Case are collectively referred to herein as the “Litigation”.

19. On or about April 26, 2009, after months of negotiations and numerous days of private mediations, the Netsphere Parties and the Defendants entered into a settlement agreement to dispose of the Litigation, all material terms of which were memorialized in a confidential writing (the “Settlement Agreement”). The Settlement Agreement expressly states that it is intended to be a “full and final settlement agreement containing all material terms.” Pursuant to the confidential terms of the Settlement Agreement, certain events were to be completed, by certain deadlines, prior to the dismissal of the Litigation.

20. Pursuant to the Settlement Agreement, the Manila Domain Names were to be divided among the Netsphere Parties and the Defendants, which division was to be determined by a specific procedure set forth in detail in the confidential Settlement Agreement (the “Division”). The Division was to be completed no later than May 10, 2009, fourteen (14) days after the execution of the Settlement Agreement.

21. On April 28, 2009, the Netsphere Parties timely performed under the Settlement Agreement and provided the Division, consisting of two lists of domain names, to the Defendants. Despite this fact, the Defendants have refused to rely on the Division in effectuating a transfer of the Netsphere Parties’ share of the Manila Domain Names and have even failed to provide a reasonable alternative Division.

22. Pursuant to the Settlement Agreement, the parties were also required to execute an Agreed Order, within ten (10) days of the settlement, wherein the Court would instruct VeriSign to effectuate the transfer of the Netsphere Parties’

share of the Manila Domain Names to the registrar designated by Manila. Although the Netsphere Parties prepared and presented the Agreed Order to the Defendants on April 28, 2009, the Defendants refused, and continue to refuse, to execute the Order, or otherwise cooperate in having it issued by the Court.

23. To date, the Defendants have failed to perform under the Settlement Agreement and maintain possession and sole control over all of the Manila Domain Names to the detriment of the Netsphere Parties.

FIRST CLAIM FOR RELIEF

Specific Performance of Contract (Settlement Agreement)

24. Plaintiffs hereby incorporate the allegations of the preceding paragraphs of this Complaint.

25. On or about April 26, 2009, the Netsphere Parties and Defendants entered into the written Settlement Agreement. Pursuant to the Settlement Agreement, the Netsphere Parties and Defendants were to cooperate in completing the Division of the Manila Domain Names.

26. Consideration exchanged under the Settlement Agreement was just and reasonable and as set forth in the confidential Settlement Agreement.

27. The Netsphere Parties have presented, and continue to present, to Defendants the Division in accordance with the Settlement Agreement. The Netsphere Parties were at all times, and still are, ready, willing and able to perform all conditions required by them remaining to be performed under the Settlement Agreement.

28. Defendants have failed and refused, and continue to fail and refuse, to perform their obligations under the Settlement Agreement. Specifically, the Defendants have failed to cooperate in the Division of the Manila Domain Names, and instead refute the Division presented to them by the Netsphere Parties in

accordance with the terms of the Settlement Agreement. The Defendants have further breached under the terms of the Settlement Agreement by failing to execute the Agreed Order, wherein the Court would instruct VeriSign to effectuate the transfer of the Netsphere Parties' share of the Manila Domain Names to the registrar designated by Manila.

29. For the reasons heretofore stated, the Netsphere Parties have no adequate legal remedy in that domain names are a unique property, and damages will be inadequate to compensate the Netsphere Parties for the detriment suffered by them.

SECOND CLAIM FOR RELIEF

Breach of Written Contract (Settlement Agreement)

30. Plaintiffs hereby incorporate the allegations of the paragraphs 1 through 23 of this Complaint.

31. On or about April 26, 2009, the Netsphere Parties and Defendants entered into the Settlement Agreement.

32. Pursuant to the terms of the Settlement Agreement, the parties were obligated to participate in the Division of the Manila Domain Names no later than fourteen (14) days after the date Settlement Agreement was executed. The Netsphere Parties have cooperated and have acted in good faith by preparing the Division and presenting it to the Defendants on April 28, 2009.

33. The Defendants have breached the Settlement Agreement, by refusing to cooperate with the Netsphere Parties in meeting the conditions precedent to the ultimate dismissal of the Litigation. Specifically, the Defendants have: a). refused to accept the Division prepared by the Netsphere Parties in accordance with the terms of the Settlement Agreement; b). refused to execute and submit the Agreed

Order, wherein the Court would instruct VeriSign to make the transfer of the Netsphere Parties' share of the Manila Domain Names to the registrar designated by Manila; and c). refused to cooperate in requiring the parking companies with whom the Defendants have engaged to pay the Netsphere Parties their share of the revenues.

34. The Netsphere Parties have performed all of their duties and obligations pursuant to the Settlement Agreement.

35. The Defendants have refused all of the Netsphere Parties' demands to cooperate in the Division of the Manila Domain Names or to pay the Netsphere Parties' share of revenues therefrom.

36. As a result of the foregoing, the Netsphere Parties have been damaged in the amount of its share of revenues from the Manila Domain Names, the exact amount of which is not known to the Netsphere Parties until and unless an accounting of those revenues is received from the Defendants.

THIRD CLAIM FOR RELIEF

Conversion of Manila's Domain Names, Accounting and Constructive Trust

37. Plaintiffs hereby incorporate the allegations of the preceding paragraphs of this Complaint.

38. Pursuant to the Settlement Agreement, Manila is entitled to be the registrant and sole owner of all rights (subject to Netsphere's license), title, and interest in its share of the Manila Domain Names. Netsphere, as Manila's exclusive licensee, has the right to possess and use those Manila Domain Names and park them with its parking service and the ad provider it has engaged.

39. Without authorization from the Netsphere Parties, the Defendants directed all of the Manila Domain Names to IP addresses/Nameservers different than those chosen by Manila and which are associated with parking services with

which the Netsphere Parties have no contractual relationship. The Defendants have agreed pursuant to the Settlement Agreement, to divide the Manila Domain Names with the Netsphere Parties and to execute an Agreed Order, wherein the Court would instruct VeriSign to effectuate the transfer of the Netsphere Parties' share of the Manila Domain Names to a registrar designated by Manila.

40. The Defendants have failed to comply with the terms of the Settlement Agreement and have refused all of the Netsphere Parties' demands to cooperate in the return of the Manila Domain Names to Netsphere's IP addresses/Nameservers.

41. The Defendants' actions constitute conversion of the Netsphere Parties' share of the Manila Domain Names and the revenue generated therefrom. The Defendants, and each of them, have assumed and exercised dominion and control over the Manila Domain Names in an unlawful and unauthorized manner, to the exclusion of and inconsistent with Manila's and Netsphere's rights.

42. The Defendants will continue their conversion of the Netsphere Parties' share of the Manila Domain Names, and revenue therefrom, if not restrained and enjoined by the Court.

43. As a direct and proximate result of the above-described actions, the Netsphere Parties are being damaged by loss of revenues, loss of profits and loss of good will. The Netsphere Parties have no way of quantifying those revenues without an accounting by the Defendants.

44. The Netsphere Parties are entitled to a judgment that the actions of the Defendants constitute conversion and are entitled to have their assets returned.

45. The Netsphere Parties are entitled to an accounting of the revenues generated by the conversion and imposition of a constructive trust over those improperly collected revenues for the benefit of the Netsphere Parties.

46. The actions of the Defendants have been willful and with malice.

47. The Netsphere Parties are entitled to an award of exemplary damages.

FOURTH CLAIM FOR RELIEF

Unjust Enrichment

48. Plaintiffs hereby incorporate the allegations of the preceding paragraphs of this Complaint.

49. As a result of the Defendants' refusal to redirect any of the Manila Domain Names to the Netsphere Parties, or their designees, or to release any portion of the revenues it has collected from the Manila Domain Names, the Defendants, and each of them, have been unjustly enriched to the detriment of the Netsphere Parties.

50. The Netsphere Parties are entitled to restitution from the Defendants in an amount to be proven at trial.

PRAYER

WHEREFORE, Plaintiffs respectfully request that this Court grant the following relief:

1. Granting an order for specific performance of the Settlement Agreement, requiring that the Defendants:
 - a. proceed with the Division as circulated by the Netsphere Parties using the methodology set forth in the Settlement Agreement;
 - b. execute and submit to the Court the Agreed Order, wherein the Court will instruct VeriSign to effectuate the transfer of the Netsphere Parties' share of the Manila Domain Names to a registrar designated by Manila; and
 - c. otherwise comply with the terms of the Settlement Agreement;

2. Imposing a constructive trust for the benefit of the Netsphere Parties over all revenue generated by Defendants through their unlawful conversion of the Netsphere Parties' domain names and ordering an accounting of all such revenues;

3. Granting Netsphere Parties all monetary relief appropriate, including damages caused by Defendants' wrongful conduct, pre- and post- judgment interest where applicable, and appropriate exemplary damages;

4. Granting Netsphere Parties their costs, attorneys' fees, and such other relief, in equity or at law, including temporarily restraining and enjoining Defendants from further violations of the Settlement Agreement and the Netsphere Parties' rights, as to which they are entitled and the Court deems just; and

5. Ordering the Defendants to pay restitution to the Netsphere Parties in an amount equal to their unjust enrichment from the unlawful use of the Netsphere Parties' domain names.

Dated: May, 28th, 2009

Respectfully submitted,



John W. MacPete

State Bar No. 00791156

LOCKE LORD BISSELL &
LIDDELL LLP

2200 Ross Avenue, Suite 2200

Dallas, Texas 75201

(214) 740-8662

(214) 740-8800 (Fax)


ATTORNEYS FOR PLAINTIFFS
MANILA INDUSTRIES, INC.,
NETSPHERE, INC. and MUNISH
KRISHAN

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury.

Dated: May, 28th, 2009

Respectfully submitted,



John W. MacPete

State Bar No. 00791156

LOCKE LORD BISSELL &
LIDDELL LLP

2200 Ross Avenue, Suite 2200

Dallas, Texas 75201

(214) 740-8662

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ATTORNEYS FOR PLAINTIFFS
MANILA INDUSTRIES, INC.,
NETSPHERE, INC. and MUNISH
KRISHAN

MacPete, John W.

From: Jerry Mason [jmason@jerrydmasonpc.com]
Sent: Monday, May 04, 2009 2:52 PM
To: MacPete, John W.; 'Frank Herrera'
Cc: fperry@pandblaw.com; 'Filing'; 'Michelle E. Breaux'; 'Jan Paul Guzman'
Subject: RE: John Conti v. TIPA

One of the things I was trying to call Frank about this morning, I want to make sure he has everything from me he requested. I thought I gave him everything. Frank, let me know what else you need.
Jerry

From: MacPete, John W. [mailto:jmacpete@lockelord.com]
Sent: Monday, May 04, 2009 2:42 PM
To: Frank Herrera; jmason@jerrydmasonpc.com
Cc: fperry@pandblaw.com; Filing; Michelle E. Breaux; Jan Paul Guzman
Subject: RE: John Conti v. TIPA

Frank,

I was under the understanding that they were willing to walk away in exchange for the name. Are they demanding money now because you didn't have the auth code for them by their last Friday deadline?

Please let me know. Depending upon your response, your proposed course of action may be fine.

Jerry, is there any reason why the other auth codes (besides the Adv. Publications names) requested on Friday were not provided to Frank? If not, please get those codes to Frank asap. Delay only results in increasing demands for more money. Thanks,

John

John W. MacPete
Partner

LOCKE LORD BISSELL & LIDDELL LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
(214) 740-8662
(214) 756-8662 (fax)

From: Frank Herrera [mailto:fherrera@rra-law.com]
Sent: Monday, May 04, 2009 2:42 PM
To: jmason@jerrydmasonpc.com; MacPete, John W.
Cc: fperry@pandblaw.com; Filing; Michelle E. Breaux; Jan Paul Guzman
Subject: John Conti v. TIPA

After some careful prodding, I got counsel for John Conti to make an offer:

John Conti wants \$6,000 and the domain. Just to see what we can get, I recommend countering with \$3k and worse case scenario paying the \$6k.

7/20/2009

8
App.

EXHIBIT B

Frank Herrera
Partner

Las Olas City Centre, Suite 1650
401 East Las Olas Boulevard
Fort Lauderdale, Florida 33301
Direct: (954) 315-7246
Telephone: (954) 522-3456
Facsimile: (954) 527-8663
Email: fherrera@rra-law.com
www.rra-law.com



RRIA
Rothstein Rosenfeldt Adler
Attorneys at Law

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7/20/2009

9
App.

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS**

In re:	§	
Ondova Limited Company	§	Case No.: 09-34784-SGJ-11
Debtor(s)	§	Chapter No.:
	§	
Plaintiff(s)	§	
vs.	§	Adversary No.:
	§	
Defendant(s)	§	

Exhibits C and D (the TRO and Preliminary Injunction) attached to the Affidavit of
Manish Aggarwal to the previously filed [21] Emergency Motion for Relief from Stay

Title of Document

FILED UNDER SEAL

By Manila Industries, Inc. and Netsphere, Inc. pursuant to [33]
Name of party filing the sealed document Document #

Order entered August 6, 2009
Entry date on the docket

By Manila Industries, Inc. and Netsphere, Inc.
(Name of party filing the motion)

Filed by: _____
Attorney's signature
Doug D. Skierski
Printed Name of Attorney
10501 N Central Expwy., Ste 106
Address
Dallas, Texas 75231
City, State and Zip Code
214-702-4061
Phone number

EXHIBIT 7

ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

United States Bankruptcy Judge

Signed September 2, 2009

THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: §
§
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ-11,
§
Debtor. §

ORDER FOR DEBTOR TO APPEAR
AND SHOW CAUSE WHY: (A) A CHAPTER 11 TRUSTEE SHOULD NOT BE
APPOINTED, OR ALTERNATIVELY, (B) THE CASE SHOULD NOT BE CONVERTED
TO A CASE UNDER CHAPTER 7 AND A CHAPTER 7 TRUSTEE APPOINTED

On August 26, 2009, and again on September 1, 2009, this court held hearings on the Debtor's Emergency Motion Asserting: (i) No Perfected Lien on Debtor's Cash or Accounts; and (ii) Ability to Utilize Such Property of the Estate [DE # 10] (hereinafter, the "Section 363 Cash Usage Motion"). It soon became apparent to the court that Ondova Limited Company ("Ondova" or the "Debtor") was seeking (through a motion, rather

than through an *adversary proceeding*) a ruling that: (a) the cash held by the Debtor in a debtor-in-possession bank account (over \$461,000), (b) any cash that the Debtor might receive henceforth during the case (from revenue from the registration and/or renewal of domain names, and/or from monetization companies, and/or from other sources), and (c) possibly other cash that may have been transferred prepetition by the Debtor to certain of its attorneys was all "property of the bankruptcy estate" (11 U.S.C. § 541), unencumbered by any lien, claim or interests of third parties. Noting the procedural problem with this (*i.e.*, the court's inability to make a declaratory judgment without an adversary proceeding, where all parties-in-interest have been named as defendants and served with a complaint, summons, and given a chance to answer, take discovery and have an evidentiary trial on reasonable notice; see Bankr. Rule 7001)—and at the same time recognizing that the Debtor may have a genuine and urgent need to use cash—the court indicated that it would treat the Section 363 Cash Usage Motion as, essentially, a "typical cash collateral motion," pursuant to which the Debtor could put on evidence of such relevant things as: (a) what cash the Debtor had on hand now and expected to receive in the near-term; (b) how such cash was and would be derived; (c) what the

Debtor's budgeted expenses and other cash needs were expected to be during the next few weeks of the Chapter 11 case; (d) the reasonableness and necessity of the Debtor's budgeted expenses (which would entail evidence regarding what the Debtor was doing; what the Debtor's business model was at this juncture; how many employees and how much overhead the Debtor has); and (e) what the Debtor would offer as "adequate protection" (11 U.S.C. §§ 361 & 363) to parties who might have an interest in the cash. The court would also let objecting parties who claim an interest in the Debtor's cash (NetSphere, Inc. and lawyers Mr. Rasansky and Ms. Aldous) put on evidence concerning their alleged interests in the cash that might be entitled to "adequate protection." See 11 U.S.C. § 363(p).

During the hearings on the Section 363 Cash Usage Motion, which still have not concluded (the court setting the next hearing on the Section 363 Cash Usage Motion for September 11, 2009 at 9:30 a.m.), the court became concerned about whether it is appropriate to allow Ondova to remain on as a debtor-in-possession in this bankruptcy case. Among the things driving this concern are the following. First, the hearing on September 1, 2009 began with an attempt by the Debtor to terminate its bankruptcy counsel and seek a continuance of the hearing on the

Section 363 Cash Usage Motion (in light of a desire to retain new bankruptcy counsel). The court noted that it was especially troubled with this development—given that the Debtor has a long prepetition history of playing “musical lawyers” in litigation with NetSphere, Inc. Second, the court has been troubled at both the August 26, 2009 and September 1, 2009 hearings, with: (a) an apparent lack of forthcomingness on the part of the Debtor’s principal, Mr. Barron; (b) an inability on Mr. Barron’s part to concisely answer straightforward questions about the Debtor’s business; and (c) the assertion of the attorney-client privilege by the Debtor in situations where such an assertion may not be consistent with the fiduciary duties of a debtor-in-possession (*i.e.*, in situations where, surely, a Bankruptcy Trustee would see fit to waive the privilege in the interests of creditors and in the interests of the efficient administration of the bankruptcy estate). The court also perceives that the goal of Ondova in this Chapter 11 case (while under the direction of Mr. Barron and the current management team) may not be centered around reorganizing a viable company (or providing a soft landing to a financially-stressed company), for the benefit of creditors and other parties-in-interest, but more geared toward protecting the personal interests of Mr. Barron and his affiliates, and/or

attempting to relitigate issues already decided or settled in other fora. Finally, the court is concerned about complex, prepetition transactions among various companies in which Mr. Barron has some interest or control, which transactions may affect the Debtor (and the value available/reachable for creditors), that need investigating by an independent fiduciary.

The court, therefore, has decided to issue this show cause order, pursuant to 11 U.S.C. § 105, setting a hearing to hear evidence and argument on whether Ondova should continue on as a debtor-in-possession. Accordingly, based upon the foregoing, it is hereby

ORDERED that Ondova and Jeff Barron (and their counsel) shall appear before this court on Friday, September 11, 2009, at 9:30 a.m., for a hearing, and show cause at such hearing why a Chapter 11 Trustee should not be appointed in Ondova's case or, alternatively, the case should not be converted to a case under Chapter 7 and a Chapter 7 Trustee appointed. Other parties-in-interest may attend and present evidence and argument.

###END OF ORDER###

EXHIBIT 8



ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

United States Bankruptcy Judge

Signed September 11, 2009

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: §
Ondova Limited Company, § Case No. 09-34784-SGJ-11
Debtor. § Chapter 11
§

ORDER (1) DENYING THE MOTION TO DISMISS BANKRUPTCY CASE FILED BY NETSPHERE, INC. AND MANILA INDUSTRIES, INC.; (2) DIRECTING THE APPOINTMENT OF A CHAPTER 11 TRUSTEE; (3) CONTINUING CERTAIN HEARINGS; (4) SETTING HEARING ON EMERGENCY MOTION TO WITHDRAW AS COUNSEL FOR THE DEBTOR; AND (5) SETTING A STATUS CONFERENCE

On September 11, 2009, this court held a hearing on its Order for Debtor to Appear and Show Cause Why: (A) A Chapter 11 Trustee Should Not Be Appointed, or Alternatively, (B) The Case Should Not Be Converted to a Case Under Chapter 7 and a Chapter 7 Trustee

Appointed (DE #56, the "Show Cause Order"); the Motion to Dismiss Bankruptcy Case filed by Netsphere, Inc. and Manila Industries, Inc. (DE #60, the "Motion to Dismiss"); and the joinders to the Motion to Dismiss filed by Jeffrey Baron, individually (DE #78), and by Quantec LLC, Iguana Consulting LLC, and Novo Point LLC (DE #82, which amended DE #77).

After testimony from the Debtor's principal, Mr. Jeffrey Baron, in which he invoked his Fifth Amendment right against self-incrimination as to each question; after oral argument by counsel for Netsphere, Inc. and Manila Industries, Inc. (the "Netsphere Parties"), Mr. MacPete, individual bankruptcy counsel for Mr. Baron, Mr. Pronske, administrative claimant, Paul Keiffer (who has also served as debtor's counsel before this court, but who could not in good faith argue in the capacity of debtor's counsel regarding the Motion to Dismiss and the Show Cause Order), counsel for Quantec LLC, Iguana Consulting LLC, and Novo Point LLC, Mark Taylor, and after considering the prior testimony of Mr. Baron before this court on August 26, 2009 and September 1, 2009, the court has determined that cause exists under 11 U.S.C. § 1104 to appoint a Chapter 11 trustee (such cause including debtor mismanagement and lack of candor of the debtor's representative), a Chapter 11 Trustee would be in the best interests of the estate,

and that the Motion to Dismiss should be denied. The Chapter 11 trustee is encouraged to consult the Special Master appointed by Judge Royal Furgeson, Mr. Peter Vogel of Gardere Wynne, regarding the history of this debtor, the debtor's operations, and any other matter the trustee and Mr. Vogel may deem beneficial to this estate. Accordingly, based upon the foregoing and upon the court's oral findings and fact and conclusions of law as announced by this court on the record, it is hereby

ORDERED that the Motion to Dismiss is **DENIED**; and it is further

ORDERED that the United States Trustee is directed to appoint a Chapter 11 trustee in this case forthwith; and it is further

ORDERED that all parties in interest shall cooperate with the Chapter 11 trustee; and it is further

ORDERED the debtor immediately shall turn over all assets, including cash, to the trustee. **Jeffrey Baron has no authority to act on behalf of the debtor in any capacity and no authority to exercise any control over the assets of the estate other than in any way he is requested to or directed to act by the Chapter 11 trustee**; and it is further

ORDERED that the hearing on the Emergency Motion to Impound Contents of Statement of Financial Affairs Section 10 (DE #39) is

hereby continued to Monday, September 28, 2009 at 9:30 a.m. and counsel for the Netsphere Parties is directed to notice the continued hearing; and it is further

ORDERED that the status conference on the Motion to Withdraw Reference of Bankruptcy Case (DE #36) is hereby continued to Monday, September 28, 2009 at 9:30 a.m. and counsel for the Netsphere Parties is directed to notice the continued hearing; and it is further

ORDERED that the Emergency Motion to Withdraw as Counsel for the Debtor (DE #83) is hereby set for Monday, September 28, 2009 at 9:30 a.m. and Mr. Keiffer is directed to notice the hearing on such motion; and it is further

ORDERED that this court shall hold a status conference in this matter on Monday, September 28, 2009 at 9:30 a.m. to hear a preliminary report from the Chapter 11 trustee regarding the status of the case.

END OF ORDER

EXHIBIT 9

Raymond J. Urbanik
Texas Bar No. 20414050
Jay Ong
Texas Bar No. 24028756
Lee Pannier
Texas Bar No. 24066705
MUNSCH HARDT KOPF & HARR, P.C.
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ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	
	§	Case No. 09-34784-SGJ
ONDOVA LIMITED COMPANY,	§	(Chapter 11)
	§	
Debtor.	§	Expedited Hearing Requested
	§	

**TRUSTEE'S MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT
PURSUANT TO RULE 9019, FEDERAL RULES OF BANKRUPTCY PROCEDURE**

TO THE HONORABLE STACEY G. C. JERNIGAN, U.S. BANKRUPTCY JUDGE:

COMES NOW Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 trustee of Ondova Limited Company, and files this *Motion for Approval of Settlement Agreement Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure* (the "Motion"), respectfully stating as follows:

I. JURISDICTIONAL BACKGROUND

1. On July 27, 2009 (the "Petition Date"), Ondova Limited Company ("Ondova" or "Debtor") filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), thereby initiating this Bankruptcy Case and creating the Debtor's bankruptcy estate (the "Estate").

2. On September 17, 2009, the Court entered its order approving the appointment of the Trustee.

3. This Court has jurisdiction over this Bankruptcy Case and this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Such jurisdiction is core under 28 U.S.C. § 157(b)(2). Venue of the Bankruptcy Case before this Court is appropriate pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested herein are section 105 of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

II. BACKGROUND

5. Prior to the Petition Date, there was extensive litigation between the principal of the Debtor, Jeffrey Baron, and certain other parties. The litigation primarily stems from a joint venture between Mr. Baron and Mr. Munish Krishan, the principal of Netsphere, Inc. and Manila Industries, Inc. (collectively, "Netsphere" or "Netsphere Parties"). In late 2005, Mr. Baron and Mr. Krishan created a joint venture in the U.S. Virgin Islands to combine their business interests. In their joint venture, Baron and Krishan sought to combine their internet domain name business operations and also benefit from certain tax incentives offered in the U.S. Virgin Islands. The main focus of the combined businesses was the monetization of a large portfolio of internet domain names. The internet domain names generate advertising revenue and also can be sold individually to buyers. The joint venture was created in December 2005. The venture did not go smoothly and litigation between Baron and Netsphere began in the fall of 2006.

6. In late 2005, in connection with their new business venture, Baron and Mr. Krishan also created certain trusts, the Village Trust and the MMSK Trust. Once the lawsuits between Baron and Netsphere began, these trusts, as well as the parties connected to the U.S. Virgin Islands tax structure, became caught up in the disputes and soon become entangled in

the litigation as well. To add to the confusion, in the spring of 2009, a Byzantine web of new entities was formed in the Cook Islands by Baron which were then swept up into the litigation. Therefore, in addition to the principal litigation between Baron and Netsphere, originally commenced on November 13, 2006 in the 68th Judicial District Court of Dallas County, Texas, lawsuits sprang up in various courts around the United States between 2006 and 2009 involving all of these parties - and others.¹

7. During the pendency of the litigation, certain interim settlement agreements were reached and numerous mediation efforts also took place. During a mediation that was commenced in April, 2009, Netsphere, Krishan, Ondova and Baron and certain other parties (Denis Kleinfeld, Jeannie Hudson, HCB, LLC, RIM, LLC, Simple Solutions, LLC, Search Guide, LLC, Blue Horizons, LLC, Four Points Management, LLLP, Novo Point, Inc., Iguana, Inc. and Quantec, Inc.) entered into a memorandum of understanding (the "MOU"), which was to settle and resolve all of the litigation. The MOU outlined the substance of a settlement between various parties and was to be memorialized by a formal settlement agreement. However, no formal settlement agreement document was ever agreed to by the parties.

8. As a result of the failure of a formal settlement document to be completed and the MOU to be implemented, Netsphere filed an action against Ondova and Baron in the United

¹ The Ancillary Cases include the following cases: (i) the "USVI Oversee Case" filed HCB, LLC and Realty Investment Management, LLC, and Simple Solutions, LLC – all of whom are part of the Trusts – against Oversee.net in the District Court of the Virgin Islands, Division of St. Thomas-St. John, styled *HCB, LLC and Simple Solutions, LLC, v. Oversee.net*, Case No. 3:07-cv-00029-CVG; (ii) the "Manila Oversee Case" filed by Manila and Netsphere against Oversee.net and Doe 1 through Doe 10 in the Superior Court of the State of California, styled *Manila Industries, Inc. and NetSphere, Inc., a Michigan corporation vs. Oversee.net and DOE 1 through DOE 10, inclusive*, Case No. BC425821; (iii) the "VI Case" filed by Simple Solutions, LLC against Ondova in the in the District Court of the Virgin Islands, Division of St. Thomas & St. John, styled *Simple Solutions, LLC vs. Ondova Limited Co, LLC d/b/a Ondova, LLC*, Case No. 3:07-CV-123; and (iv) the "Phonecards.com case" filed by Baron, as Beneficiary of the Equity Trust Company FBO IRA 19471, the Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 against Rohith Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan in the 68th Judicial District Court, Dallas County, Texas, styled *Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron As Beneficiary of Equity Trust Company FBO IRA 19471 vs. Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan*, Cause No. DC08-13925-C.

States District Court for the Northern District of Texas, Dallas Division, ("District Court") styled *Netsphere, Inc., et al. v. Baron, et al.*, Civil Action No. 3-09-CV-0988-M, seeking to enforce the MOU. A special master, Peter Vogel, was appointed by the District Court in this litigation. Upon the Trustee's appointment on September 17, 2010, the Trustee and the Special Master began a series of settlement discussions. Those efforts however were unsuccessful.

9. The Trustee began a second phase of settlement discussions on February 23, 2010. Those settlement talks have been ongoing virtually daily, including many weekends, since February 23, 2010. Finally on June 22, 2010 during a break at the continued hearing on the Trustee's Motion to Convert Case to Case Under Chapter 7, to Operate Business Pursuant to 11 U.S.C. § 721, and Waiver of 30 Day Hearing Requirement Under § 1112(B)(3), a final settlement agreement was reached and announced to the Court.

III. RELIEF REQUESTED

10. By and through the Motion and pursuant to Bankruptcy Rule 9019, the Trustee respectfully requests that this Court approve the Mutual Settlement, Release, and Indemnity Agreement (the "Settlement Agreement" or "Agreement") attached hereto as "Exhibit A" and incorporated herein for all purposes.

IV. THE SETTLEMENT

11. On the Petition Date, the parties were deadlocked in litigation pending throughout the United States stemming from their joint business dealings. The litigation primarily involved four parties: Baron, the Netsphere Parties, Adrian Taylor, Trustee of the Village Trust and MMSK Trust (the "Trusts") and the parties connected to the U.S. Virgin Islands tax structure, Simple Solutions, LLC, Marshden, LLC, Four Points Management, LLLP, Search Guide, LLC, Blue Horizon Limited Liability Company and certain individuals and other related entities. Because the Trustee held his own independent claims and causes of action against certain of

the parties, there were essentially five (5) parties participating in settlement negotiations.

12. From the Trustee's earliest involvement in this case, he was advised by all of the parties that they sought a settlement to end the expensive and long running litigation. The Trustee initiated settlement efforts in the fall of 2009, shortly following his appointment, however, the parties were too far apart in their respective settlement positions and those initial efforts were unsuccessful. Upon the urging of the District Court and Bankruptcy Court, the Trustee then embarked on a second campaign to facilitate a settlement of all of the litigation. Those efforts began on February 23, 2010 and have continued uninterruptedly since that date up through the filing of this Motion.

13. In anticipation of a potential settlement, the parties had been working on a draft master settlement agreement for several months. The final version, entitled Mutual Settlement and Release Agreement is attached hereto as Exhibit "A". The Agreement settles a number of claims held by the Estate against certain of the settling parties as well as complex litigation surrounding the business interests of Baron, the Trusts, the V.I. Parties and the Netsphere Parties. The Agreement involves fifty-one (51) parties and resolves eight (8) pending lawsuits. By overview, it provides for settlement payments to be made by the Netsphere Parties, a portion of which go to the Trustee, and a portion of which go to the Village Trust. It also adopts the split of a large portfolio of internet domain names which the District Court directed in a Preliminary Injunction order entered on June 26, 2009. The Agreement also settles the claims of Baron's former counsel, Jeff Rasansky and Charla Aldous, and their respective law firms. Finally, the Agreement settles and resolves a lawsuit not even connected in any way to this bankruptcy case, commenced on November 2, 2008, commonly referred to as "Phonecards.com Case", which is pending as Case No. DC-08-13925-C, in the 68th Judicial District Court of Dallas County.

14. With respect to Ondova, the settlement provides for the Trustee to receive total consideration of \$1.7 million. This amount is being paid in two installments, one of \$1,250,000 on the Transfer Date as set forth in the Agreement and the payment of \$450,000, in installments over approximately seven (7) months. All other settling parties, with the exception of Rasansky and Aldous, receive nothing from the Estate and have agreed to waive and release all claims.

15. As noted above, the Trustee receives the sum of \$1,250,000 within ninety (90) days after execution of the Settlement Agreement directly from the Netsphere Parties. The payment of \$1,250,000 is being funded by Mr. Munoj Krishan, the brother of Munish Krishan. The \$1,250,000 is being loaned by Mr. Munoj Krishan to Manila Industries, Inc. which will make the payment to the Trustee.

16. The Chapter 11 Trustee will also receive \$450,000 from the Village Trust. There will be an initial payment of \$125,000 within ten (10) business days after the order approving this Motion becomes final. The balance owed of \$325,000 will be paid to the Trustee in monthly installments of \$50,000 per month. Up to \$18,000 per month will be paid by Netsphere directly to the Chapter 11 Trustee from the revenue of Pokerstar.com (provided that sufficient funds are available in that particular month). The balance shall be paid by the Village Trust from domain name monetization of the Blue Horizon portfolio and the Odd Group portfolio. To secure the Estate's interest in the installment payments in the event of a payment default, the Trustee is receiving a first lien security interest in the domain name Pokerstar.com subject only to a license agreement as described in the Agreement. Additionally, the Trustee is receiving a first lien, priority security interest in the Blue Horizon portfolio as described in the Agreement, as well as a right to receive monetization revenue directly from Hitfarm.com or any other monetization company. Additionally the Trustee will hold an agreed order in trust in the event of a default in the monthly payments.

17. In exchange for the payments to the Estate, the Trustee is releasing certain claims including a debt owed to the Estate pursuant to a Note dated December 31, 2005 in the original principal amount of \$460,000 from Macadamia Management, LLC, the current balance of which is approximately \$600,000. The Trustee is also releasing his claim for approximately \$800,000 owed to Ondova under a Domain Name Renewal Agreement between Manassas LLC and Ondova entered into in March 2009. The Estate is also waiving and releasing certain avoidance action claims related, inter alia, to: (a) the transfer of a valuable portfolio of domain names from Ondova to Blue Horizon Limited Liability Company, formerly known as Macadamia Management, LLC in December 2005; and (b) a transfer of domain names from Ondova to Manassas, LLC (nominee for Shiloh LLC, a wholly owned subsidiary of Quantec, LLC – Cook Islands) and to Diamond Key, LLC (nominee of Javelina, LLC, a wholly owned subsidiary of Novo Point, LLC - Cook Islands) which occurred in March, 2009. The Estate is also waiving and releasing claims that it may own an interest in many Blue Horizon domain names which have been jointly monetized between Ondova and Diamond Key, LLC.

18. The Estate is retaining certain assets, including internet domain names (including, but not limited to, "servers.com") as well as the continuing payments from a settlement previously approved by this Court against River Cruise Enterprises of New Zealand.

19. With respect to the other provisions of the settlement, they are contained in the Agreement and resolve and settle a myriad of complex disputes and litigation between the other parties. Parties in interest are urged to review the Agreement which is attached as Exhibit "A" for specifics of those settlements.

V. ARGUMENT AND AUTHORITY

A. The Settlement Should Be Approved Under Bankruptcy Rule 9019

1. Bankruptcy Rule 9019 Standards

20. “One of the goals of Congress in fashioning the Bankruptcy Code was to encourage parties in a distress situation to work out a deal among themselves.” *In re Mirant Corp.*, 334 B.R. 800, 811 (Bankr. N.D. Tex. 2005); see also *Marandas v. Bishop (In re Sassalos)*, 160 B.R. 646, 653 (D. Or. 1993) (“compromises are favored in bankruptcy”). The bankruptcy court approves compromises and settlements pursuant to Bankruptcy Rule 9019, which provides that “on motion by the trustee and after a hearing on notice . . . the court may approve a compromise or settlement.” FED. R. BANKR. P. 9019. Ultimately, approval or denial of a compromise involving a bankruptcy estate is committed to the discretion of the bankruptcy court; an appellate court will reverse only when that discretion has been abused. *In re Jackson Brewing Co.*, 624 F.2d 599, 602-03 (5th Cir. 1980).

21. In deciding whether to approve a proposed settlement agreement or compromise of controversy, a bankruptcy court should consider the following factors:

- a. the probability of success on the merits and the resolution of the dispute;
- b. the complexity of the litigation being settled;
- c. the expense, inconvenience, and delay associated with litigating the dispute; and
- d. all other factors bearing on the wisdom of the compromise, such as the paramount interests of creditors with proper deference to their reasonable views.

Conn. Gen. Life Ins. Co. v. United Companies Fin. Corp. (In re Foster Mortgage Corp.), 68 F.3d 914, 917 (5th Cir. 1995); see also *Jackson Brewing*, 624 F.2d at 602 (citing *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424-425 (1968); *Drexel v. Loomis*, 35 F.2d 800, 806 (8th Cir. 1929)).

22. "In considering these factors, the bankruptcy court must review the facts supporting a compromise, yet not decide the merits of individual issues." *Watts v. Williams*, 154 B.R. 56, 59 (S.D. Tex. 1993). Rather, the bankruptcy court determines whether the settlement is "fair and equitable" as a whole. *Jackson Brewing Co.*, 624 F.2d at 602. Furthermore, while the desires of the creditors are not binding, the court "should carefully consider the wishes of the majority of the creditors." *In re Foster Mortgage Corp.*, 68 F.3d at 917 (citing *In re Transcon. Energy Corp.*, 764 F.2d 1296 (9th Cir. 1985)). While it is necessary for the proponent of a compromise to set forth its factual and legal basis, so the court can make an intelligent and informed evaluation of the proposed settlement, it is not incumbent upon the proponent to present a mini-trial or a full evidentiary hearing. See *Depositer v. Mary M. Holloway Found.*, 36 F.3d 582, 586 (7th Cir. 1994); *Port O'Call Inv. Co. v. Blair (In re Blair)*, 538 F.2d 849, 851-52 (9th Cir. 1976); *In re Drexel Burnham Lambert Group, Inc.*, 134 B.R. 493, 496 (Bankr. S.D.N.Y. 1991). Instead, the obligation of the court is to "canvass the issues and see whether the settlement 'falls below the lowest point in the range of reasonableness.'" *In re Drexel Burnham Lambert Group, Inc.*, 134 B.R. at 496-97 (quoting *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir.), cert. denied sub nom. *Cosoff v. Rodman*, 464 U.S. 822 (1983)).

2. Application Of Bankruptcy Rule 9019 Standards

23. Commencing with his initial appointment, the Trustee was advised by all parties that there needed to be an end to the expensive, long-running litigation. Both the Bankruptcy Court and the District Court, which had become intimately familiar with the combative litigation between the parties, also made it known their strong viewpoint that the litigation finally end. After months of negotiations, a settlement has been reached which ends the years of polarizing and expensive litigation.

24. In analyzing the settlement, the Trustee evaluated a number of other potential

Estate claims and causes of action, including litigation against certain of the settling parties which would involve foreclosure and repossession of internet domain names and their income stream. The Trustee analyzed all of the risks and rewards and determined that, had he begun such litigation, it would likely have resulted in further protracted litigation between the parties. Also, it also would not have resolved the key litigation between Baron, the Netsphere Parties, the Trusts and the V.I. Parties pending in the District Court over the enforceability of the MOU. Litigation to enforce the MOU would be expensive, rancorous and would cause extended delays. The Trustee would necessarily have been a significant participant in the MOU litigation which could have taken at least one to two years just to go to trial. Those delays would prolong the time that Ondova remained in Bankruptcy Court. Under the current proposed settlement, the Trustee believes that creditors will receive a faster return on their claims and will not be burdened with additional delay and litigation costs which would deplete the Estate's resources without a specific guarantee of a recovery.

25. Accordingly, the Trustee submits that this Motion satisfies the standards of Bankruptcy Rule 9019 and the factors the Fifth Circuit considers in evaluating a settlement and compromise and, therefore, respectfully requests the Court to approve the Motion.

VI. PRAYER

WHEREFORE, PREMISES CONSIDERED, the Trustee respectfully requests that the Court enter an order: (i) granting this Motion; (ii) approving the Settlement Agreement; and (iii) granting the Trustee such other and further relief to which he has shown himself to be justly entitled.

Respectfully submitted this 2nd day of July, 2010.

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Raymond J. Urbanik
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**ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was sent to all parties requesting electronic service through the Court's ECF system on July 2, 2010.

/s/ Raymond J. Urbanik

**TRUSTEE'S MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT PURSUANT TO RULE 9019,
FEDERAL RULES OF BANKRUPTCY PROCEDURE – Page 11**

MUTUAL SETTLEMENT AND RELEASE AGREEMENT

THIS MUTUAL SETTLEMENT AND RELEASE AGREEMENT ("Agreement"), effective as of the Settlement Date (as defined below), is entered into on July 2, 2010 by and among the following persons and entities:

1. Munish Krishan ("Krishan"), individually and on behalf of all beneficiaries of the MMSK Trust, a trust organized and established under the laws of the Cook Islands (the "MMSK Trust"), Seema Krishan, individually, Mahnik Krishan, individually, Amani Krishan, individually, Manila Industries, Inc., a California corporation ("Manila"), and Netsphere, Inc., a Michigan corporation ("Netsphere") (hereinafter collectively referred to as the "Manila Parties");
2. Jeffrey Baron, individually and as a beneficiary of and on behalf of all beneficiaries of: (i) the Village Trust, a trust organized and established under the laws of the Cook Islands (the "Village Trust"); (ii) Equity Trust Company IRA 19471; (iii) the Daystar Trust (sole member of Ondova); and (iv) the Belton Trust (sole member of Domain Jamboree, LLC); Jeffrey Baron as Trustee of the Daystar Trust, a trust organized and established under the laws of Texas; and Jeffrey Baron, as Trustee of the Belton Trust, a trust organized and established under the laws of Texas (hereinafter collectively referred to as "Baron");
3. Biju Mathew, Amir Asad, Rohit Krishan, Manish Aggarwal, and Amer Zaveri (hereinafter jointly referred to as the "Manila Related Parties");
4. Ondova Limited Company d/b/a Compana, LLC, a Texas limited liability company ("Ondova" or "Debtor"), debtor in Bankruptcy Case No. 09-34784-SGJ-11 (the "Bankruptcy Case") pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court");
5. Daniel J. (Corky) Sherman, Chapter 11 Bankruptcy Trustee of Ondova ("Sherman" or the "Chapter 11 Trustee");
6. HCB, LLC, a Delaware limited liability company, and HCB, LLC, a USVI limited liability company (individually or collectively, "HCB"), Realty Investment Management, LLC, a Delaware limited liability company, Realty Investment Management, LLC, a USVI limited liability company (individually or collectively, "RIM"), Simple Solutions, LLC, a USVI limited liability company ("Simple Solutions"), Search Guide, LLC, a USVI limited liability company ("Search Guide") and Blue Horizon Limited Liability Company, a USVI limited liability company ("Blue Horizon") (hereinafter jointly referred to as the "USVI LLCs");
7. Four Points Management, LLLP, a USVI limited liability limited partnership and sole member of each of the USVI LLCs ("Four Points");
8. Marshden, LLC, a USVI limited liability company and general partner of Four Points ("Marshden");
9. Novo Point, Inc., a USVI corporation ("Novo Point"), Iguana Consulting, Inc., a USVI corporation ("Iguana Consulting"), and Quantec, Inc., a USVI corporation ("Quantec") (hereinafter collectively referred to as the "USVI corporations") (USVI LLCs, Four

- Points, Marshden, and USVI corporations hereinafter collectively referred to as the "USVI Entities";
10. Jeanne Hudson ("Hudson"), Denis Kleinfeld ("Kleinfeld"), individually and on behalf of all officers, directors, managers, members and employees of each of the USVI Entities (hereinafter collectively referred to as the "USVI Officers") (USVI Entities and USVI Officers, inclusive of Hudson, are hereinafter collectively referred to as the "USVI Parties");
 11. Charla Aldous ("Aldous"), Jeff Rasansky ("Rasansky"), and Ron Sheridan ("Sheridan") (hereinafter collectively referred to as the "Interested Parties");
 12. Shiloh, LLC, a Delaware limited liability company ("Shiloh"), the member of which is Quantec LLC and the manager of which is Novquant LLC;
 13. Manassas, LLC, a Texas limited liability company ("Manassas");
 14. Byron Dean, sole member of Manassas ("Dean");
 15. Bud Branstetter, manager of Manassas ("Branstetter");
 16. Javelina, LLC, a Delaware limited liability company ("Javelina"), the member of which is Novo Point LLC and the manager of which is Novquant LLC;
 17. Diamond Key, LLC, a Texas limited liability company ("Diamond Key");
 18. Nina deVassal, sole member and manager of Diamond Key ("deVassal");
 19. The Village Trust and Asiatrust Limited as Trustee of the Village Trust, a trust organized and established under the laws of the Cook Islands (hereinafter collectively referred to as the "Trustee of the Village Trust");
 20. The MMSK Trust and Asiatrust Limited as Trustee of the MMSK Trust, a trust organized and established under the laws of the Cook Islands (hereinafter collectively referred to as the "Trustee of the MMSK Trust");
 21. Iguana Consulting LLC, a Cook Islands limited liability company, Novo Point LLC, a Cook Islands limited liability company, and Quantec LLC, a Cook Islands limited liability company (hereinafter collectively referred to as the "Trust LLCs") (Shiloh, Manassas, Javelina, Diamond Key, the Trust LLCs, Dean, Branstetter, deVassal, Trustee of the Village Trust, and Asiatrust Limited are hereinafter collectively referred to as the "Trusts");
 22. Equity Trust Company, a South Dakota trust company, as Custodian of IRA 19471 and as successor in interest of Mid Ohio Securities as Custodian of IRA 19471 ("Equity Trust");
 23. Manoj Krishan, individually;
 24. CallingCards.com, LLC, a Texas limited liability company ("CC.com");

25. Domain Jamboree, LLC, a Wyoming limited liability company (“DJ”) and the Belton Trust as the sole member of DJ (hereinafter collectively referred to as “Domain Jamboree Parties”); and
26. ID Genesis, LLC, a Utah limited liability company (“ID”) and Netsphere, Inc. as the sole member of ID (hereinafter collectively referred to as “ID Genesis Parties”).

The aforementioned parties may also sometimes be collectively referred to in this Agreement as the “Parties” and each, individually as a “Party”.

**I
RECITALS:**

WHEREAS, on November 14, 2006, Baron and Ondova filed a civil cause in the District Court, Dallas County, Texas, 68th Judicial District, styled, *Ondova Limited Company, et al., vs. Manila Industries, Inc.*, Cause No. 06-11717, in which Baron and Ondova alleged claims more fully described in Plaintiffs’ Petition and First through Sixth Amended Petitions (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Baron Claims” and/or “Texas Case”); and

WHEREAS, on November 15, 2006, Manila, Netsphere and Krishan filed a civil cause against Ondova, RIM, HCB and Baron in the United States District Court for the Central District of California, Southern Division, styled *Manila Industries, Inc, Netsphere, Inc., and Munish Krishan vs. Ondova, Limited Co., d/b/a Compana, LLC*; Realty Investment Management, LLC, HCB, LLC; and Jeffrey Baron, Case No. SACV 06-1105 AG (ANx) (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Manila Claims” and/or “California Case”); and

WHEREAS, on September 27, 2007, Simple Solutions filed a civil cause against Ondova in the District Court of the Virgin Islands, Division of St. Thomas & St. John, styled *Simple Solutions, LLC vs. Ondova Limited Co, LLC d/b/a Compana, LLC*, No. 3:07-CV-123 (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Simple Solutions Claims” and/or “VI Case”); and

WHEREAS, on May 28, 2009, Krishan, Manila and Netsphere filed a civil cause against Ondova and Baron in the United States District Court for the Northern District of Texas, Dallas Division, in which Aldous and Rasansky have intervened and the Trust LLCs have requested leave to intervene, styled, *Netsphere, Inc., et al. vs. Jeffrey Baron, et al.*, Case No. 3:09-CV-0988-F (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Dallas Federal Case”); and

WHEREAS, on July 27, 2009 Ondova filed for Chapter 11 protection under the Bankruptcy Code (as defined below) in the Bankruptcy Court (the “Petition Date”). Sherman was appointed Chapter 11 Trustee on September 17, 2009; and

WHEREAS, on February 12, 2007, HCB and Simple Solutions filed a civil cause against Oversee.net in the District Court of the Virgin Islands, Division of St. Thomas-St. John, styled *HCB, LC and Simple Solutions, LLC, v. Oversee.net*, Case No. 3:07-CV-00029-CVG (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “USVI Oversee Lawsuit”); and

WHEREAS, on November 6, 2009 Oversee.net filed a claim for breach of contract and fraud against Simple Solutions, LLC, a USVI limited liability company, HCB, LLC, a Delaware Limited Liability Company and Does 1 to 10 in the United States District of California, Case No. CV09-08154-OOW (RZx) ("Cal. Oversee Suit"); and

WHEREAS, on November 12, 2009, Manila and Netsphere filed a civil cause against Oversee.net and Doe 1 through Doe 10 in the Superior Court of the State of California, styled *Manila Industries, Inc. a California corporation; Netsphere, Inc., a Michigan corporation vs. Oversee.net, a California corporation; and DOE 1 through DOE 10, inclusive*, Case No. BC425821 (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the "Manila Oversee Lawsuit"); and

WHEREAS, on November 2, 2008, Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron as Beneficiary of Equity Trust Company FBO IRA 19471 filed a civil case in the 68th Judicial District, Dallas County, Texas, against Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan, styled *Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron As Beneficiary of Equity Trust Company FBO IRA 19471 vs. Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan*, Cause No. DC08-13925-C (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the "Phonecards.com Case") (the Texas Case, California Case, VI Case, Dallas Federal Case and Phonecards.com Case are collectively referred to herein as the "Underlying Cases"); and

WHEREAS, all Parties generally and/or specifically have denied the allegations made against them and asserted various defenses and other matters as described more fully in their responsive pleadings, all of which are incorporated by reference for all purposes into this Agreement; and

WHEREAS, the Parties to this Agreement desire to avoid the necessity, expense, inconvenience and uncertainty of further litigation and fully and finally resolve all matters by and among them and all known and unknown claims, counterclaims and cross-claims that have, or could have been, plead in the past by any of the Parties hereto, arising out of, or in any way related to, the cases, lawsuits and disputes among them; and

WHEREAS, it is the desire of the Parties to separate any and all business by, between and among themselves;

NOW, THEREFORE, for and in consideration of the above recitals, which recitals are contractual in nature, the mutual promises, mutual general releases and agreements herein contained, and for other good and valuable consideration, the receipt of which are hereby acknowledged, the Parties hereto do hereby covenant, agree and contract as follows:

II
AGREEMENTS:

1. **Payment of Cash.** In consideration of the provisions of this Agreement, including, without limitation, the Recitals and general releases, at the direction of the Village Trust, Manila will deliver One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) by wire transfer to the Chapter 11 Trustee (the "Cash Payment"), which delivery shall be made on behalf of the Village Trust in accordance with the wire instructions provided by Raymond J. Urbanik to John MacPete by email dated June 7, 2010, as may be updated with written notice from the Chapter 11 Trustee to Netsphere at least thirty (30) days prior to any date on which payment is due (the "Cash Payment Instructions"), on the later of: (i) the date which is thirty (30) days after the Settlement Date or ninety (90) days after a 9019 motion is filed with the Bankruptcy Court to approve this Agreement (such applicable date, the "Transfer Date"). The Chapter 11 Trustee will use the Cash Payment and the Deferred Payment (as defined below) to pay creditors, administrative costs and any and all other expenses associated with Ondova's bankruptcy estate (the "Estate").

2. **Deferred Payment and Unsecured Claim.**
 - A. Manila hereby promises to pay the Village Trust the sum of Six Hundred Thousand Dollars (\$600,000) ("Deferred Payment"), together with simple interest thereon calculated as provided in this subsection A. The following provisions are applicable to the Deferred Payment:
 - (i) The Deferred Payment and interest thereon is due and payable in full on or before the second anniversary of the Transfer Date (such date, the "Maturity Date").
 - (ii) Noncompounding simple interest shall accrue at the rate of ten percent (10%) per annum (computed on the basis of a three hundred sixty-five (365) day year and the actual number of days elapsed in a year) on the unpaid principal amount of the Deferred Payment outstanding from time to time, or (if less) the highest rate then permitted under Texas law. Any accrued interest which for any reason has not theretofore been paid shall be paid in full on the Maturity Date.
 - (iii) Manila may, at any time and from time to time without premium or penalty, prepay all or a portion (in whole number multiples of \$1,000 only) of the outstanding principal amount (and any accrued and unpaid interest thereon) of the Deferred Payment.
 - (iv) Payments made by Manila shall be applied (a) first, to the payment of all accrued and unpaid interest, (b) second, to the payment of principal of the Deferred Payment), and (c) the balance, if any, to Manila.
 - (v) Interest payable on the outstanding principal balance of the Deferred Payment starts as of the first day of the fourth (4th) full calendar month after the Transfer Date (the "Payment Commencement Date") and shall be paid on a quarterly basis, commencing on the Payment Commencement Date (and the first quarterly payment will be for the period between the Transfer Date and the day immediately preceding the Payment Commencement Date), and continuing on the first day of each quarter thereafter until the Maturity Date, at which time all outstanding principal and interest shall be due and payable in full.

- (vi) Manila's obligations to pay the Deferred Payment to the Village Trust shall be secured by a pledge of the domain name *FreeSex.com* pursuant to the Security Agreement (as defined below).
 - (vii) All payments to be made pursuant to the provisions of this Section 2 by Manila to the Village Trust shall be made in the lawful money of the United States of America in immediately available U.S. funds by wire transfer in accordance with the wire instructions provided by Craig Capua to John MacPete by email dated June 7, 2010, and as may be updated with written notice from the Village Trust to Manila at least thirty (30) days prior to any date on which payment is due. Furthermore, the Village Trust may direct Manila to pay Equity Trust, which payments shall be made on behalf of the Village Trust, pursuant to an agreement between Equity Trust and the Village Trust; provided, the Village Trust must provide Manila at least thirty (30) days prior written notice of the wiring instructions for such payment to Equity Trust.
- B. On the Transfer Date, Manila will execute and deliver to the Village Trust a security agreement (the "Security Agreement") in the exact form attached hereto as Exhibit A.
- C. The Chapter 11 Trustee hereby grants Aldous and Rasansky (hereinafter collectively referred to as the "Rasansky Parties") a general unsecured claim in the amount of Two Hundred Thousand Dollars (\$200,000) against the Estate. In the event the Rasansky unsecured claim is not paid in full by the Estate, within thirty (30) days of a written request from the Rasansky Parties, Jeffrey Baron agrees to pay the Rasansky Parties an amount equal to the difference between Two Hundred Thousand Dollars (\$200,000) and the actual amount paid on the unsecured claim by the Estate (and, if requested by Jeffrey Baron, the Village Trust agrees to make a distribution to Jeffrey Baron for such purpose).

3. Split of Disputed Domain Names.

- A. Each of the Manila Parties represent and warrant to Baron, the Trusts, the Chapter 11 Trustee and Ondova that the Even Group Portfolio of domain names (as defined in Paragraph 3 of the June 26, 2009, Preliminary Injunction in the Dallas Federal Case [Preliminary Injunction]) and the domain names in the Restore List (as defined in Paragraph 5(e) of the Preliminary Injunction) collectively represent the accurate list of domain names referred to herein as the "Even Group Portfolio."
- B. Each of Baron, the Trusts, the Chapter 11 Trustee and Ondova represent and warrant to the Manila Parties that the Odd Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Allocated Names List (as defined in Paragraph 5(d) of the Preliminary Injunction) that have not expired, been deleted, or been transferred to an unrelated third party by the Manila Parties, as of the Transfer Date (the "Remaining Allocated Names") collectively represent the accurate list of domain names referred to herein as the "Odd Group Portfolio".
- C. As of the Settlement Date, each of the Manila Parties (except for Manila), the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Even Group Portfolio Quitclaiming Parties") quitclaim any interest in the Even Group Portfolio to Manila, and make an express quitclaim to Manila and disavow all rights of every kind, nature and description, if any, they may have, or ever

had, in and to all rights related to the Even Group Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after the Settlement Date from the domain names and related rights in the Even Group Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Even Group Portfolio are irrevocable.

- D. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Quantec LLC), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the “Odd Group Portfolio Quitclaiming Parties”) quitclaim any interest in the Odd Group Portfolio to Quantec LLC, and make an express quitclaim to Quantec LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the Odd Group Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after the Settlement Date from domain names and related rights in the Odd Group Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Odd Group Portfolio are irrevocable. Further, on or before the Transfer Date, Manila shall (i) provide a list of Remaining Allocated Names to the Village Trust and Jeffrey Baron through their attorneys, Craig Capua at craig.c@WestLLP.com and Gerrit Pronske at gpronske@pronskepatel.com, (ii) e-mail Gay Nee (gaynee@webnic.cc) with the list of Remaining Allocated Names, and (iii) request Gay Nee to update the Whois information for the Remaining Allocated Names with the following contact information:

Whois Identity Shield
Post Office Box 152
Britton's Hill
St. Michael, Barbados
Phone: (604) 484-4206
E-mail:
ScGRuPjmxwuKTbEIXkcvQzHx+nKvp1NduvKTpOpDGTDCITozwGM=@2010.identityshield.com

The Manila Parties are not required to incur any out-of-pocket expenses in connection with any transfer of the Remaining Allocated Names to Quantec LLC.

Fifteen (15) days after the Transfer Date shall be referred to as the “Transfer Implementation Period.” Quantec LLC will pay funds sufficient to the registrar for the purposes of transferring and renewing the Remaining Allocated Names. Ondova, or other registrar appointed by Quantec LLC, agrees to insure that the Remaining Allocated Names will be transferred to the registrar during the Transfer Implementation Period and implement such transfer.

- E. From and after the Settlement Date, the Estate shall continue to own the domain name *servers.com*, which domain name shall, if necessary, be liquidated, pursuant to Section 363(b) of the Bankruptcy Code (as defined below) or pursuant to a plan, to fund costs of administration of the Bankruptcy Case and amounts needed with respect to a plan of reorganization or liquidation, if feasible, with respect to Ondova (the “Ondova Plan”). Additionally, it is expressly understood and agreed by the Parties that at no time prior to the Settlement Date does the Chapter 11 Trustee waive any claim of ownership or

otherwise to other domain names in the Odd Group Portfolio, the Blue Horizon Portfolio and the Excluded Disputed Domains (as defined below). As used herein, "Excluded Disputed Domains" means the list of twelve (12) domain names identified in an e-mail from Raymond J. Urbanik to Gerrit Pronske on June 2, 2010.

4. **Blue Horizon Names.** As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Novo Point LLC), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Blue Horizon Quitclaiming Parties") quitclaim any interest in any and all domain names that previously were registered through Ondova, exclusive of the Even Group Portfolio, the Odd Group Portfolio and any domain name not registered through or at Ondova as of February 22, 2010, and exclusive of *pokerstar.com* (which is addressed in Section 6 below), *servers.com* and the Excluded Disputed Domains (the "Blue Horizon Portfolio"), to Novo Point LLC and make an express quitclaim to Novo Point LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the Blue Horizon Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any and all income that may be derived from and after the Settlement Date from domain names and related rights in the Blue Horizon Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Blue Horizon Portfolio are irrevocable.
5. **Searchguide.com.** As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Novo Point LLC), the Chapter 11 Trustee and Ondova (the "SearchGuide.com Quitclaiming Parties") quitclaim any interest in the domain name *searchguide.com* to Novo Point LLC and make an express quitclaim to Novo Point LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the domain name *searchguide.com*, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from *searchguide.com* from and after the Settlement Date; provided, such quitclaim is strictly limited to the domain name itself and excludes: (i) any website that appeared on *searchguide.com*, (ii) any software associated with *searchguide.com*, and (iii) any other content or intellectual property related to *searchguide.com* (collectively "Searchguide Software"). All rights granted, if any, and the related abandonment of claims and interests in the domain name *searchguide.com* are irrevocable.
6. **Pokerstar.com.**
 - A. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for the Village Trust), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Pokerstar.com Quitclaiming Parties") quitclaim any interest in the domain name *pokerstar.com* to the Village Trust, and make an express quitclaim to the Village Trust and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the domain name *pokerstar.com*, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from *pokerstar.com* from and after the Settlement Date, provided, such quitclaim is strictly limited to the domain name itself and excludes: (i) any website that appeared on *pokerstar.com* developed in whole or in part by the Manila Parties or the Manila Related Parties; (ii) any software associated with *pokerstar.com* developed in whole or in part by

the Manila Parties or the Manila Related Parties; and (iii) any other content or intellectual property related to *pokerstar.com* developed in whole or in part by the Manila Parties or the Manila Related Parties (collectively "Pokerstar Software"). All rights granted, if any, and the related abandonment of claims and interests in the domain name *pokerstar.com* are irrevocable.

- B. As consideration for, and contemporaneously with execution of this Agreement, Manila and the Village Trust shall enter into a license agreement for *pokerstar.com* (the "License Agreement") in the exact form attached as **Exhibit B**. Within five (5) business days after the Settlement Date, Netsphere shall remit in escrow to the Chapter 11 Trustee fifty percent (50%) of the gross revenue actually received by Netsphere for operation of *pokerstar.com* ("Old Pokerstar Revenue") during the period commencing April 1, 2009, and ending June 30, 2010, such remittance to be made by wire transfer in accordance with the Cash Payment Instructions. Commencing on the date which is thirty (30) days after the Settlement Date, and continuing on the same day of each month thereafter until the Transfer Date, Netsphere shall remit in escrow to the Chapter 11 Trustee fifty percent (50%) of the gross revenue actually received by Netsphere for operation of the *pokerstar.com* website (the "Additional Pokerstar Revenue" and, together with the Old Pokerstar Revenue, the "Combined Pokerstar Revenue"), such remittance to be made by wire transfer in accordance with the Cash Payment Instructions (with the first such payment covering the period July 1, 2010, through the Transfer Date). The Chapter 11 Trustee agrees to hold the Combined Pokerstar Revenue in escrow until the earlier of, as applicable: (i) the date of the Settlement Date, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to the Village Trust in accordance with the wire instructions provided by Craig Capua to Raymond J. Urbanik by email dated June 7, 2010, as may be updated with written notice from the Village Trust to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (ii) the date the Bankruptcy Court fails to approve the Final Settlement Order, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to Netsphere within three (3) days of such disapproval in accordance with the wire instructions provided by Ravi Puri to Raymond J. Urbanik by email dated June 7, 2010, as may be updated with written notice from Netsphere to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (the "Pokerstar Payment Instructions") or (iii) the fourth (4th) day after the date the Chapter 11 Trustee receives written notice from Netsphere that any of the Parties failed to perform any of the material provisions of this Agreement, identified with specificity, in the event such failure is not cured within three (3) days after the date of such notice, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to Netsphere in accordance with the Pokerstar Payment Instructions. Notwithstanding the foregoing, such return of the Combined Pokerstar Revenue shall not operate to recharacterize the legal ownership of the funds nor be a waiver by any Party of any claim to such funds.
- C. The Village Trust hereby agrees to pay the Chapter 11 Trustee Four Hundred Fifty Thousand Dollars (\$450,000) (the "Additional Payment"). The Additional Payment shall be paid to the Chapter 11 Trustee by the Village Trust in the following manner: (i) One Hundred Twenty-Five Thousand Dollars (\$125,000) (the "Lump Sum Payment") shall be paid to the Chapter 11 Trustee within ten (10) business days after the Settlement Date (the "Additional Lump Sum Payment Due Date") in accordance with the wire instructions provided by Raymond J. Urbanik to Craig Capua by email dated June 7, 2010, as may be updated with written notice from the Village Trust to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (the "Lump Sum Payment")

Instructions"); and (ii) thirty (30) days after the Additional Lump Sum Payment Due Date (and continuing on the same day of each month thereafter until the Additional Payment has been paid in full) (each a "Monthly Installment"), Fifty Thousand Dollars (\$50,000) shall be paid to the Chapter 11 Trustee as follows: (a) up to Eighteen Thousand Dollars (\$18,000) per month paid by Netsphere directly to the Chapter 11 Trustee from the revenue of Pokerstar if sufficient funds are available from fifty (50%) of the revenue owed to the Village Trust as generated by *pokerstar.com* during the particular month the payment is due; and (b) Thirty-Two Thousand Dollars (\$32,000) per month from the Trusts directly to the Chapter 11 Trustee from domain name monetization of the Blue Horizon Portfolio and the Odd Group Portfolio (collectively, the "Portfolios"). With respect to the Monthly Installments being paid by the Trusts from the domain name monetization of the Portfolios, each Monthly Installment shall be considered an advance made to the Trustee for payment of administrative costs of the Estate and payment of creditor claims. In the event there are surplus funds from such advances available in the Estate after the payment of administrative costs and an eighty percent (80%) distribution to general unsecured creditors of Ondova pursuant to a Plan of Reorganization, the Chapter 11 Trustee shall return to the Trusts an amount equal to the surplusage. In no other instance shall the Chapter 11 Trustee have any obligation to return any of such advances. To secure the obligation of the Village Trust to the Chapter 11 Trustee with respect to the Additional Payment, on the Settlement Date, (x) the Village Trust shall:

- (i) grant the Chapter 11 Trustee a first lien security interest in the domain name *pokerstar.com*, which is subordinate to the License Agreement attached as Exhibit B and which security interest shall be evidenced by a security agreement (the "Pokerstar Security Agreement") in the exact form attached hereto as Exhibit C; (y) the Village Trust and the Chapter 11 Trustee will each execute three (3) partially executed originals of an escrow agreement in the exact form attached hereto as Exhibit D (the "Pokerstar Escrow Agreement"), which escrow agreement shall name and be delivered to Gracy Title Company, 100 Congress Avenue, Suite 100, Austin, Texas 78701 (Attn: Elizabeth Young) as "Escrow Agent" for the purposes of holding and dealing with the assignment of the domain name *pokerstar.com*; and (b) in connection with the Pokerstar Escrow Agreement, the Village Trust shall execute and deliver an original of an assignment (the "Pokerstar Assignment"), which shall be in the exact form attached hereto as Exhibit E;
- (ii) execute and deliver to the Chapter 11 Trustee prior to the Settlement Date a new domain registration agreement with Ondova for each of the Portfolios (each a "New Domain Name Registration Agreement") which, until the Additional Payment has been paid in full, is non-cancelable without the prior written consent of the Chapter 11 Trustee (which consent may be withheld, conditioned or delayed in the sole discretion of the Chapter 11 Trustee), provides that (as applicable), exclusive of the Disposed Names (as defined below) and Released Names (as defined below), there shall be no change in monetization from *hitfarm.com* and contains a provision that upon an Uncured Default (as defined below), the Chapter 11 Trustee is authorized to immediately seek to be paid, and *hitfarm.com* shall pay to the Chapter 11 Trustee promptly after receipt of a Default Notice (as defined below), the revenue generated from the Portfolios by *hitfarm.com*;

- (iii) execute and deliver to the Chapter 11 Trustee prior to the Settlement Date a new monetization agreement with *hitfarm.com* for each of the Portfolios (each a “New Monetization Agreement”) which, until the Additional Payment has been paid in full, is non-cancelable without the prior written consent of the Chapter 11 Trustee (which consent may be withheld, conditioned or delayed in the sole discretion of the Chapter 11 Trustee), provides that there shall be no change in monetization from *hitfarm.com* and contains *hitfarm.com*’s agreement, in accordance with the revenue payment provisions of subsection (ii) above, to directly pay the Chapter 11 Trustee the revenue generated from the Portfolios by *hitfarm.com* from and after receipt of the Default Notice; and
- (iv) Grant the Chapter 11 Trustee a first lien security interest in the Blue Horizon Portfolio, which security interest shall be evidenced by a security agreement (the “Blue Horizon Security Agreement”) in the exact form attached hereto as **Exhibit F**.

In addition to the above, (i) the Trusts, Baron and each Party hereto which in any way has control or ownership in the Blue Horizon Portfolio agree to execute an Agreed Order in the form attached hereto as **Exhibit G** providing that, upon an uncured payment default with respect to the Additional Payment, it directs *hitfarm.com* and each other business used to monetize the domain names in the Blue Horizon Portfolio to pay all monetization revenue earned thereon directly to the Chapter 11 Trustee; and (ii) the Trusts and Baron agree to provide monthly reports to the Trustee which state the name of the registrar and monetization company for the names in the Portfolios, and the failure to do, or the report of an unauthorized registrar or monetization company, shall constitute a material default in payment of the Additional Payment.

The Village Trust further agrees that, from and after the Settlement Date, the domain name *pokerstar.com* will not be transferred, re-registered or otherwise conveyed without the prior written consent of the Chapter 11 Trustee and, in such regard, the Trustee of the Village Trust agrees to reasonably cooperate with the registrar of such name and counsel for the Chapter 11 Trustee to insure compliance with such agreement.

As used above, (i) “Disposed Names” means names in the Blue Horizon Portfolio which are reasonably determined by the Village Trust, and agreed in writing by the Chapter 11 Trustee, to be of nominal value and/or, based on intellectual property claims or potential intellectual property claims, to present significant or potentially significant liability to the owner thereof and, therefore allowed to lapse; (ii) “Released Names” means specific names in the Blue Horizon Portfolio which are released in writing by the Chapter 11 Trustee in consideration for the Village Trust’s payment of an amount equal to fifty percent (50%) of the greater of the (a) fair market value thereof, as agreed in writing by the Village Trust and the Chapter 11 Trustee, or (b) the sales price paid by a bona fide third party purchaser for value (provided, releases shall not be made if there exists an Uncured Default, releases shall occur no more frequently than once per calendar month, each release request shall be signed by the Village Trust, specify the name(s) requested to be released, the fair market value and (if applicable) sale price of each name and the method of valuation, and at no time shall the remaining value of the names in the Blue Horizon Portfolio be less than an amount equal to one hundred fifty percent (150%) multiplied by a sum equal to the then-outstanding unpaid Lump Sum Payment Monthly Installments); (iii) “Uncured Default” means a breach of any covenant or agreement by Village Trust pursuant to this Section 6, a New Domain Name Registration Agreement or a New Monetization Agreement which is not cured within fifteen (15) days of the date of the Chapter 11 Trustee’s notice thereof; and (iv) “Default Notice” means a written notice delivered by the Chapter 11 Trustee which states that an Uncured

Default exists and directs payment of the revenue from the Portfolios to made to the Chapter 11 Trustee.

7. **Domainjamboree.com and IDGenesis.com.**

- A. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron (except for the Belton Trust), the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee and Ondova (the “Domain Jamboree Quitclaiming Parties”) quitclaim any interest to the domain name *domainjamboree.com* and the ICANN Accredited registrar, Domain Jamboree, LLC (collectively “Domain Jamboree”) to the Belton Trust and make an express quitclaim to the Belton Trust and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to Domain Jamboree, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from Domain Jamboree from and after the Settlement Date; provided, such excludes: (i) any website that appeared on *domainjamboree.com*, (ii) any software associated with *domainjamboree.com*, and (iii) any other content or intellectual property related to Domain Jamboree, (collectively “Domain Jamboree Software”). All rights granted, if any, and the related abandonment of claims and interests in Domain Jamboree are irrevocable.
- B. As of the Settlement Date, each of the Manila Parties (except for Netsphere), the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee and Ondova (the “ID Genesis Quitclaiming Parties”) quitclaim any interest to the domain name *idgenesis.com* and the ICANN Accredited registrar ID Genesis, LLC, (collectively “ID Genesis”) to Netsphere, and make an express quitclaim to Netsphere and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to ID Genesis, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived by ID Genesis from and after the Settlement Date. All rights granted, if any, and related abandonment of claims and interests in ID Genesis shall be irrevocable.

8. **Oversee Lawsuit.**

- A. As of the Settlement Date, each of the USVI Parties on behalf of themselves and their legal and beneficial owners (the “Oversee Lawsuit Assignors”) hereby quitclaim all rights, title and interest which may be held by the Oversee Lawsuit Assignors in the claims and causes of action that are or could be asserted by the USVI Parties in the USVI Oversee Lawsuit to Manila, and make an express quitclaim to Manila and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all proceeds derived from the USVI Oversee Lawsuit, including, without limitation, any proceeds collected from a settlement or a judgment in the USVI Oversee Lawsuit. All rights granted by the USVI Parties, if any, and related abandonment of claims and interests in the USVI Oversee Lawsuit shall be irrevocable.

The Oversee Lawsuit Assignors represent that no other Party has any interest in the USVI Oversee Lawsuit. If any of the Manila Parties acquire an interest in Oversee’s claims against Ondova, Baron or the Trusts, the Manila Parties and any of their assignees are estopped from prosecuting such claims from and after the Settlement Date and such claims are forever waived.

Any proceeds derived from any counterclaims, rights of set-off, recoupment, remedies, rights or defenses asserted by the Overseer Lawsuit Assignors in any case against Overseer which are based upon the same subject matter as the affirmative claims and/or causes of action of the Overseer Lawsuit Assignors in the USVI Overseer Lawsuit are hereby quitclaimed and assigned by the Overseer Lawsuit Assignors to Manila.

- B. The Overseer Lawsuit Assignors agree that the USVI Overseer Lawsuit will be prosecuted by the Overseer Lawsuit Assignors at the direction of Manila; provided, such agreement does not constitute an assumption by Manila of any liability of the Overseer Lawsuit Assignors and the Overseer Lawsuit Assignors remain liable for any cause(s) of action or claim(s) that have been or may be brought by Overseer.

Furthermore, each Party, excluding Manila, the Estate and the Chapter 11 Trustee, but including Ondova, from and after the date of confirmation of the Ondova Plan if a Plan is filed and confirmed by the Bankruptcy Court (the "Confirmation Date"), agrees that if Overseer grants it a general release for any and all claims Overseer has against it related to the monetization of the Blue Horizon Portfolio and/or the Even Portfolio and/or the Odd Portfolio domain names by Overseer, such Party shall give a reciprocal general release of any and all claims it has against Overseer related to the monetization of the Blue Horizon Portfolio and/or the Even Portfolio and/or the Odd Portfolio domain names by Overseer.

Notwithstanding the foregoing, each and every Party (except for the USVI Parties) specifically retains any and all of its own: (i) defenses, (ii) rights, (iii) remedies, (iv) counterclaims, (v) rights of setoff, and (vi) recoupment which it may have in the event it is in the future added as a party to any of the lawsuits involving Overseer or Overseer's assignee(s). Subject to Section 8.A. above, the USVI Parties specifically retain any and all of their own: (a) defenses, (b) rights, (c) remedies, (d) counterclaims, (e) rights of setoff, and (f) recoupment which they may have against Overseer or any Overseer assignee.

9. **USVI Entities.** As of the Settlement Date, each of the Manila Parties, in partial consideration for this Agreement, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the Trusts, the Chapter 11 Trustee, the USVI Parties and Ondova agree that:

- A. All capital accounts, other accounts, interest in, distributive shares of, and liquidations shares of USVI corporations, in or of Four Points are deemed by all Parties to stand at Zero Dollars (\$0.00), and all interest in, distributive shares of, and liquidations interests of USVI corporations in Four Points are deemed by all Parties to be equal to zero percent (0%);
- B. In consideration of this Agreement, (i) each USVI corporation has, previously and as of the Settlement Date, no interest in Four Points, (ii) any interest in Four Points owned by a USVI corporation is hereby renounced, and (iii) each USVI corporation is discharged, withdrawn and terminated as a limited partner, partner, associate or affiliate in or with Four Points;
- C. All present and past officers, directors, employees, agents and representatives of each of USVI corporations are deemed to have, and are hereby, resigned and discharged from their respective positions, roles and capacities; and
- D. All Parties to this Agreement (except the USVI Parties) quitclaim any and all interests in or to Four Points and all USVI LLCs to Four Points.

10. **Abatement and Dismissal of Existing Cases.** The Parties acknowledge that the California Case is closed in that the dismissal was appealed but affirmed on June 3, 2009, by the appellate court via *Manila Industries Inc., et al. v. Ondova Limited Co. d/b/a Compana LLC, et al.*, No. 07-55232 (9th Cir. Ct. of Appeals), and any claims brought pursuant to such case are released pursuant to this Agreement and the terms herein. In such regard, each of the Parties agrees, within two (2) business days after the Transfer Date, to execute and deliver to Munsch Hardt Kopf & Harr, P.C., in escrow for filing, and it shall promptly file, Agreed Orders of Dismissal and/or Joint Stipulations of Dismissal with Prejudice in the Texas Case, VI Case, Phoncards.com Case and Dallas Federal Case in the exact form attached hereto as **Exhibits H, I, J and K**, respectively.
11. **Bankruptcy Court Approval.** This Agreement, and its validity, (i) is subject to the Bankruptcy Court's entry of the Final Settlement Order pursuant to Federal Rule of Bankruptcy Procedure 9019, and each of the Parties agrees to cooperate in obtaining the same through a motion seeking such approval; (ii) is subject to the delivery of the Cash Payment to the Chapter 11 Trustee on or before the Transfer Date (herein "Funding"); and (iii) notwithstanding anything to the contrary herein, shall not be binding on any of the Parties until the date of the Final Settlement Order and Funding. As used herein:
- A. "Final Settlement Order" shall mean an order approving this Agreement: (1) as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired, and as to which no appeal, petition for certiorari, stay or other proceeding for reargument or rehearing has been sought or ordered; (2) as to which a timely appeal, petition for certiorari, stay, reargument or rehearing thereof has been sought, but such request resulted in one of the following: (a) the request has been withdrawn, (b) the relief requested has been denied, or (c) the Bankruptcy Court's order shall have been otherwise affirmed by the highest court to which such order was appealed, or from which reargument or rehearing was sought, and no further timely request for appeal, reargument or rehearing may be made; or (3) which the Parties unanimously agree in writing, each in their own discretion, to rely upon following the Bankruptcy Court's entry of the order in question, notwithstanding any timely appeal, petition for certiorari, stay, reargument or rehearing sought with respect to such order by any third party.
- B. "Settlement Date" shall mean the day after the date on which the Bankruptcy Court's order approving this Agreement becomes a Final Settlement Order.
- C. **Effectiveness.** For avoidance of doubt, nothing whatsoever contained in this Agreement shall be binding on the Parties prior to the receipt by the Chapter 11 Trustee of the Cash Payment from Manila; and any provisions of this Agreement which are effective or occur prior to receipt of the Cash Payment are null and void if the Cash Payment is not received by the Chapter 11 Trustee.
12. **Intellectual Property.**
- A. The following shall be referred to as the "Netsphere Software": (a) domain names registered by Netsphere and/or Krishan and/or their privacy service that are not currently registered via Ondova, excluding the Remaining Allocated Names; (b) any search engine software developed in whole or in part by any of the Manila Parties or Manila Related Parties (hereinafter collectively referred to as the "Netsphere Parties"), including, but not limited to, the website, content and search engine software developed for *searchguide.com*, (herein, the "Search Engine Software"), (c) any software used to identify domain names to register developed in whole or in part by any of the Netsphere Parties (the "Registration Software"); (d) any trademark filtering software developed in

whole or in part by any of the Netsphere Parties (the “Filtering Software”); (e) any monetization/domain name parking software developed in whole or in part by any of the Netsphere Parties; (f) the content of any and all websites developed in whole or in part by any of the Netsphere Parties, including, but not limited to, Searchguide Software, Pokerstar Software, and Domain Jamboree Software; and (g) all intellectual property developed in whole or in part by any of the Netsphere Parties. Any software developed in whole or in part by the Netsphere Parties belongs to Netsphere and is freely transferable by Netsphere. It is explicitly agreed that any trademark filtering software or code developed in whole or in part by any of the Netsphere Parties; any registration software or code developed in whole or in part by any of the Netsphere Parties; any search engine software or code developed in whole or in part by any of the Netsphere Parties; and any monetization software or code developed in whole or in part by any of the Netsphere Parties that is in any of the Netsphere Parties’ possession belongs to Netsphere and is freely transferable by Netsphere.

- B. Except as expressly provided in this Section 12, effective as of the Settlement Date, each of the Parties, including, but not limited to, the Netsphere Parties (except for Netsphere), the Trustee of the MMSK Trust, the USVI Parties, the Interested Parties, the Trusts, the Chapter 11 Trustee, Baron and Ondova (the “Netsphere Software Quitclaiming Parties”) hereby assigns, transfers, and sets over all of its rights, title and interest in the Netsphere Software, expressly quitclaims to Netsphere, and disavows all rights of every kind, nature and description, if any, they may have, or ever had, in and to the Netsphere Software and all rights related thereto, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from and after the Settlement Date with respect to the Netsphere Software. All rights granted, if any, and all related abandonment of claims and interests in Netsphere Software are irrevocable.
- C. Each of Baron, Ondova, the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties represent, warrant and agree to each other that Baron, Ondova and the Estate do not have any software or code in their possession that was developed in whole or in part by the Netsphere Parties. Each of Baron, Ondova and the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties further represent, warrant and agree to each other that the Netsphere Parties do not have any software or code developed solely by Baron, Ondova or the Estate. Each of Baron, Ondova and the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties represent and warrant to each other that: (i) DP Communications has not utilized any software or code from Baron or Ondova in connection with any software development or other work DP Communications did for the Netsphere Parties and has not transferred any software or code from Baron or Ondova to the Netsphere Parties; and (ii) DP Communications has not utilized any software or code from the Netsphere Parties in connection with any software development or other work DP Communications did for Baron or Ondova and has not transferred any software or code from the Netsphere Parties to Baron or Ondova.

- D. Based upon the foregoing representations in Section 12.C., the Netsphere Parties agree that anything in Ondova or Baron's possession is owned by Baron and is freely transferable by Baron. Further, the Netsphere Parties explicitly agree that any software or code previously or currently used by Ondova in connection with the registration of domain names, including, but not limited to, (i) any software or code used to fulfill the registrar's obligations under paragraph 3 of the ICANN Registrar Accreditation Agreement, as may be amended from time to time (currently located at: <http://www.icann.org/en/registrars/ra-agreement-21may09-en.htm>), (ii) any software or code necessary to interact with a domain name registry (which may include the acceptance or refund of a fee for the registration, transfer or renewal of a domain name); (iii) any software or code to provide access to an administrator or domain name registrant to update the WHOIS information, nameserver information and/or IP address information for a domain name; (iv) drop-catching software or code; (v) software or code used to identify domain names to register; and (vi) software or code that performs a search function on an internal registrar database; and explicitly excluding any (a) monetization software; (b) search engine-related software; (c) trademark filtering software; and (d) domain parking or pay-per-click software (said exclusions do not invalidate the explicit inclusions in (i)-(vi) and said inclusions will control over the exclusions in the event of conflict between said inclusions and exclusions), is Baron's and is freely transferable by Baron. Any software solely developed by Baron and/or Ondova is freely transferable by such Party, excluding any software that was developed in part by Netsphere.
- E. As of the Settlement Date, each of Baron, Ondova, and the Estate hereby assigns, transfers and sets over all of his or its rights, title and interest in any software or code solely developed by Baron and/or Ondova that is in the Netsphere Parties' possession (the "Netsphere Additional Software"), expressly quitclaims to Netsphere and disavows all rights of every kind, nature and description, if any, he or it may have, or ever had, in and to the Netsphere Additional Software and all rights related thereto, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill and the income that may be derived from and after the Settlement Date with respect to the Netsphere Additional Software. All rights granted, if any, and all related abandonment of claims and interests in Netsphere Additional Software are irrevocable.
- F. As of the Settlement Date, Netsphere grants to Jeffrey Baron, Ondova and the Trust LLCs a non-exclusive, non-transferable, royalty-free, worldwide license (the "Baron License") to use and reproduce the Netsphere Software and make derivative works based on the Netsphere Software that, as of the Settlement Date, is lawfully in Ondova or Baron's possession and has not been obtained by any fraudulent or illegal means, in violation of any state's or federal law, or by hacking into or otherwise illegally accessing Netsphere's servers or computers without Netsphere's express permission, as determined by a court of competent jurisdiction by a final order; provided, the Baron License excludes any right to distribute, sell, rent, lease and/or license or sublicense the Netsphere Software and/or derivative works based on the Netsphere Software for a period of thirty-one and one-half (31.5) months commencing on the Settlement Date. Upon expiration of the thirty-one and one-half (31.5) month period, the foregoing license in this Section 12.F. becomes freely transferable in whole or in part and shall then include the right to distribute copies. The foregoing license in this Section 12.F. may be extended at Baron's option to up to six (6) to-be-formed entities for Jeffrey Baron provided that Netsphere receives prior written notice of any such prospective extension of

the license along with a confirmation in writing under oath from Jeffrey Baron that the ownership of the new licensee comports with the ownership requirements of this Section 12.F, and, with respect to three (3) of such entities, the name and place of formation of such entities to receive the license, provided that the ownership of such entities shall be either: (i) wholly owned by Jeffrey Baron; (ii) owned directly through one or more wholly owned subsidiaries of (a) an entity wholly owned by Jeffrey Baron or a trust of which any of the Trusts, Ondova, Jeffrey Baron or a third party (who has no direct or indirect, legal or beneficial, interest whatsoever in Baron or any entity or trust of which Baron has any direct or indirect, legal or beneficial, interest of any kind) are the settlor and Jeffrey Baron is the sole primary beneficiary (such trust may have one or more contingent beneficiaries so long as such beneficiaries are 501(c)(3) charities or beneficiaries that are contingent upon the death of Jeffrey Baron) or (b) a wholly owned subsidiary of an entity wholly owned by Jeffrey Baron or a trust of which any of the Trusts, Ondova, Jeffrey Baron or a third party (who has no direct or indirect, legal or beneficial, interest whatsoever in Baron or any entity or trust of which Baron has any direct or indirect, legal or beneficial, interest of any kind) are the settlor and Jeffrey Baron is the sole primary beneficiary (such trust may have one or more contingent beneficiaries so long as such beneficiaries are 501(c)(3) charities or beneficiaries that are contingent upon the death of Jeffrey Baron); or (iii) identical to the current ownership of Ondova or the Trust LLCs. During the thirty-one and one-half (31.5) month period commencing on the Settlement Date, any change in the current ownership of Ondova, the Trust LLCs or in the initial ownership of the to-be-formed entities shall be a sale or transfer in material breach of the license granted to that entity in this Section 12.F and shall result in termination of that license (only with respect to the entity in breach), except where the change in ownership comports with (i)-(iii) in this Section 12.F, as confirmed in writing under oath by Jeffrey Baron. To the extent an entity granted a license under this Section 12.F terminates the license prior to a change in its ownership, the change in ownership shall not be a material breach of the license (the Parties acknowledge and agree that any entity that has terminated its license under Section 12.F has done so permanently and cannot obtain another such license).

- G. As of the Settlement Date, Netsphere grants to Jeffrey Baron, Ondova and the Trust LLCs a non-exclusive, transferable, royalty-free, worldwide license to use, reproduce, and distribute copies of the Netsphere Additional Software and make derivative works based on the Netsphere Additional Software.

13. **Phoncards Settlement.**

- A. In order to resolve the claims in the Phoncards.com Case, the Parties agree that: (i) CC.com shall retain its fifty percent (50%) ownership interest in the domain name *phoncards.com* (the "CC Interest") until the second anniversary of the Transfer Date (the "Anniversary Date"); and (ii) effective as of the first day following the Anniversary Date and continuing for a period of sixty (60) days thereafter (the "Option Period"), Equity Trust shall have the option ("Option") to purchase the CC Interest for Ten Thousand Dollars (\$10,000.00) (the "PC Purchase Price"). In the event Equity Trust desires to purchase the CC Interest, Equity Trust shall exercise the Option by delivering written notice to CC.com (the "Notice") of Equity Trust's exercise of the Option and a wire transfer of the PC Purchase Price in accordance with the wire instructions provided by Ravi Puri to Eric Taube, Craig Capua and Elizabeth Schurig by email dated June 7, 2010, as may be updated with written notice from CC.com to Jeffrey Baron (via the email address provided by email from Gary Lyon to Ravi Puri on June 22, 2010) at least thirty (30) days prior to any date on which payment is due (the "Phoncards Payment").

Instructions”), on or before 5:00 p.m., Dallas, Texas, time on the last day of the Option Period. In the event Equity Trust exercises the Option by timely delivery of the Notice and payment of the PC Purchase Price, CC.com shall promptly deliver to Equity Trust an assignment of the CC Interest in substantially the form attached hereto as Exhibit L. Time is of the essence with respect to the Option and, in the event Equity Trust fails to timely deliver the Notice and pay the PC Purchase Price, effective immediately upon expiration of the Option Period, the Option shall lapse and be of no further and effect and Equity Trust shall have no right to purchase the CC Interest.

- B. CC.com is aware that Equity Trust hired Speedypin in August 2009 to operate the *phonecards.com* website and that Equity Trust is not operating the *phonecards.com* website. Equity Trust shall (i) provide CC.com with the login username and password for the *phonecards.com* account(s) with Speedypin within five (5) business days after the date the 9019 motion is filed with the Bankruptcy Court (the “9019 Filing Date”), and (ii) notify CC.com of any updates to such login username and password within five (5) business days of any change. Equity Trust shall further pay and deliver to CC.com fifty percent (50%) of the revenue for *phonecards.com* and supporting documentation for such revenue (which documentation is available via *speedypin.com*’s website as of the date of this Agreement) (collectively, the “PC Items”) on a monthly basis commencing on the 9019 Filing Date and continuing through the Option Period until such time as CC.com no longer retains its CC Interest. Equity Trust shall use its best efforts to have Speedypin, or any other such operator of *phonecards.com*, within two (2) months of the 9019 Filing Date, (a) send any outstanding and future PC Items directly to CC.com, and (b) on the same day any revenue is sent to Equity Trust, deliver such revenue to CC.com pursuant to the Phonecards Payment Instructions (or by check to CC.com at 9821 Katy Freeway, Suite 101, Houston, TX 77024). If Speedypin, or any other such operator of *phonecards.com*, does not agree to send CC.com any of the PC Items within two (2) months of the 9019 Filing Date, the obligations shall remain with Equity Trust to do so by the fifth (5th) business day of each month, with revenue to be paid pursuant to the Phonecards Payment Instructions. The Parties agree that this Agreement (including the releases contained herein) does not replace any existing or future continuing obligations that may exist, if any, under the terminated *phonecards.com* agreement that was effective as of August 1, 2001 (“Phonecards.com Agreement”), including, but not limited to, the last sentence of paragraph 9 of the Phonecards.com Agreement. Equity Trust and CC.com will submit an order to the 68th District Court directing CC.com to provide certain information from the Phonecards.com database to Equity Trust. Compliance with that order will be in full satisfaction of any of CC.com’s obligations under paragraph 9 of the Phonecards.com Agreement to produce or provide information from the even numbered records in the Phonecards.com database.
14. **Proofs of Claim.** As consideration for this Agreement, including, without limitation, the cooperation of the Chapter 11 Trustee, any and all proofs of claim filed in the Bankruptcy Case by the Parties hereto or debts listed in Ondova’s bankruptcy schedules are hereby waived and withdrawn as of the Settlement Date. Upon the request of the Chapter 11 Trustee, each Party agrees to promptly execute and deliver to the Chapter 11 Trustee a release of proof of claim form or other appropriate document evidencing the withdrawal of such Party’s proof of claim.
15. **Mutual General Release.**
- A. As part of the consideration for the promises exchanged herein, from the beginning of time to the date of the Final Settlement Order, except as specifically provided herein

regarding the enforcement of this Agreement, each Party and its respective heirs, family members, executors, divisions, affiliates, subsidiaries, parents, branches, predecessors, successors, assigns, and, with respect to such persons, their past, present and future officers, directors, managers, trustees, employees, servants, agents, shareholders, members, investors, administrators, general or limited partners, representatives, insurers, fiduciaries, advisors, attorneys, affiliates, and other agents fully, completely, unconditionally and forever, RELEASES and DISCHARGES each other Party and its respective heirs, family members, executors, divisions, affiliates, subsidiaries, parents, branches, predecessors, successors, assigns, and, with respect to such persons and individuals (inclusive of any and all capacities, including, without limitation, professional, fiduciary, representational, individual and personal) their past, present and future officers, directors, managers, trustees, employees, servants, agents, shareholders, members, investors, administrators, general or limited partners, representatives, insurers, fiduciaries, advisors, attorneys, affiliates, and other agents, from any and all agreements, compensation, complaints, controversies, costs, damages, debts, demands, expenses, grievances, losses of service, promises, claims, causes of action, rights, remedies, duties, obligations, actions, omissions, loss, or liability whatsoever, whether known or unknown, directly or indirectly arising from or out of, growing out of, based upon, in whole or in part, or attributable to, events, acts or omissions occurring in whole or part from the beginning of time through to the date of the Final Settlement Order, regardless of whether any such claims or causes of action have yet accrued.

- B. Further, notwithstanding that no Party intends to release its own attorneys as a result of the releases set forth in this Section 15, because and to the extent that Baron, Ondova, the Trusts, Domain Jamboree Parties and/or any of their affiliated entities (collectively, the "Baron Parties") claim, or have claimed in the past, that certain opposing attorneys have also allegedly acted as his, her, its or their legal counsel, agent or representative in any other capacity, which allegations are understood by all of the undersigned as disputed fact issues to be compromised by this Agreement, the Baron Parties and all other Parties state, represent and agree that each of the following have never been attorneys, agents or representatives of, or represented in any professional capacity, the Baron Parties for any purpose and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary, representational, individual and personal: John MacPete, Paul Storm, any attorneys at Storm LLP, Dean Hinderliter, any attorneys at Locke, Liddell & Sapp, LLP, any attorneys at Locke Lord Bissell & Liddell, LLP, A.J. Stone, any attorneys at Bolt & Nagi, Frank Perry, any attorneys at Payne & Blanchard, Denis Kleinfeld, any attorneys at The Kleinfeld Firm, any attorneys at Rothstein, Rosenfeld & Adler, Melissa Hayward, any attorneys at Flynn, Skierski, Lovell & Hayward, Ravi Puri, Sharon Hotchkiss, Daniel J. Sherman, any attorneys at Sherman & Yaquinto, Raymond J. Urbanik and any attorneys at Munsch Hardt Kopf & Harr, P.C. Further, and to the same effect, the Manila Parties state, represent and agree that each of the following have never been attorneys, agents or representatives or represented in any professional capacity the Manila Parties for any purpose and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary representational, individual and personal: West & Associates, LLP, Craig Capua, Hohmann, Taube & Summers, LLP, Eric Taube, Raymond J. Urbanik, M'Lou Patton Bell, Munsch Hardt Kopf & Harr P.C., Jeff Hall, Gerrit Pronske, Pronske Patel, LLC, John M. Cone and Hitchcock Everet, LLP. Additionally, and to the same effect, Baron, Ondova and the Domain Jamboree Parties state, represent and agree that each of the following have never been attorneys, agents or representatives or represented in any professional capacity Baron, Ondova and/or the Domain Jamboree Parties for any purpose

and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary representational, individual and personal: West & Associates, LLP, Craig Capua, Hohmann, Taube & Summers, LLP, Eric Taube, John M. Cone and Hitchcock Everet, LLP.

- C. The Manila Parties hereby RELEASE and DISCHARGE Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the MMSK Trust, Elizabeth Schurig and her past and present firms in any and all capacities from the beginning of time to the date of the Final Settlement Order, regardless of whether such claims or causes of action has yet accrued, notwithstanding any allegations of fact that at some point Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the MMSK Trust, Elizabeth Schurig and her past or present firms may have served as attorneys for the Manila Parties.
- D. Baron, Ondova and the Domain Jamboree Parties hereby RELEASE and DISCHARGE Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the Village Trust, Elizabeth Schurig and her past and present firms in any and all capacities from the beginning of time to the date of the Final Settlement Order, regardless of whether such claims or causes of action has yet accrued, notwithstanding any allegations of fact that at some point Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the Village Trust, Elizabeth Schurig and her past or present firms may have served as attorneys for Baron, Ondova and/or the Domain Jamboree Parties.
- E. Each releasing Party does specifically waive any claim or right to assert any cause of action or alleged cause of action or claim or demand which has, through oversight or error, intentionally or unintentionally or through a mutual mistake, been omitted from this Release and which is based in whole or in part on any act or omission occurring from the beginning of time to the date of the Final Settlement Order, regardless of whether such claim or cause of action has yet accrued.
- F. The foregoing provisions notwithstanding, all Parties represent, agree and confirm to the other Parties that they have no reason to believe any other third party (that is not a signatory hereunder) has any right, ownership, claim and/or other interest in and to any of the items discussed in this Agreement. Accordingly, each Party to this Agreement represents to each other Party that all necessary parties to effectuate this Agreement with respect to the signing Party have agreed to the terms of this Agreement and have signed (or granted authority in writing to be signed on their behalf) this Agreement. The foregoing representations are material representations, and any breach of such representations shall be a material breach of this Agreement.
- G. For avoidance of doubt, the releases given herein by the Chapter 11 Trustee are made solely in his capacity as trustee for Ondova. Additionally, notwithstanding any provision of this Agreement to the contrary, nothing contained herein shall, in any way limit, reduce, waive, impair or otherwise restrict any and all other claims the Chapter 11 Trustee may have against persons or entities which are not Parties to this Agreement, all of which such rights and claims are specifically reserved.
16. **Delivery of Tax Documents.** On or before the Settlement Date, the Village Trust shall deliver the following tax documents to Manila, and Manila shall have no obligation to make the Cash Payment or to execute and deliver **Exhibit A** until such documents are delivered to Manila: Internal Revenue Service Form W-8IMY executed by the Village Trust and Form W-9 executed

by each beneficial owner of the Village Trust. Within five (5) days after the Settlement Date, the USVI Entities shall deliver the 2006, 2007, 2008, 2009, and 2010 tax filings for each of the USVI corporations to Manila and the Village Trust, including all notices and other communication received by the USVI Entities, or on behalf of the USVI Entities, from governmental agencies related thereto, and all correspondence responding to the same. Manila agrees that it will issue or cause to be issued a Form 1099 or Schedule K-1 to the Village Trust, and not to Jeffrey Baron, in connection with the Cash Payment, the Deferred Payment and the amount of the Combined Pokerstar Revenue that is wired to the Village Trust or at the direction of the Village Trust. Netsphere agrees that it will issue or cause to be issued a Form 1099 or Schedule K-1 to the Licensor identified in the License Agreement in connection with payments made pursuant to the License Agreement. The Baron Parties agree that there shall be no income attributable to the MMSK Trust as a result of the payments required to be made under this Agreement; and no Party shall issue or cause to be issued a Form 1099 or Schedule K-1 to the MMSK Trust, the Manila Parties, and/or the Manila Related Parties in connection with such payments. Except as otherwise provided in this Agreement, no Form 1099 or Schedule K-1 (or other tax form reporting an amount of taxable income to another Party) shall be issued by any Party to the other Parties for 2009 and prior tax years (or for 2010 and subsequent years, except with the consent or agreement of the recipient) or as required by a final settlement or closing agreement entered into with the United States Internal Revenue Service or any United States state or local taxing authority.

17. **Dauben Disclaimer.** Joey Dauben, on behalf of himself, Dauben, Inc., d/b/a Texas International Property Associates and Privacy Protection Services, Inc., d/b/a Oakwood Services, Inc., and his and their respective affiliates, has executed and delivered to the Parties a disclaimer of interest in substantially the form (exclusive of exhibit reference) attached hereto as **Exhibit M.**
18. **Representations and Warranties.** Each Party makes the following representations and warranties to each other Party, which representations and warranties shall survive the execution of this Agreement:
 - A. Such Party has either been, or has had the reasonable opportunity to be, adequately represented by independent and competent legal counsel of his, her or its own choosing in connection with the negotiation and execution of this Agreement and in any and all matters whatsoever relating or appertaining hereto;
 - B. In executing this Agreement, such Party has relied upon his, her, or its own judgment and/or upon the advice of his, her, or its own personal attorneys; that he, she, or it has not been induced to sign or execute this Agreement by any promises, agreements, or representations whatsoever which are not expressly stated herein; and that he, she, or it has freely and willingly executed this Agreement and expressly denies and disclaims any reliance upon any facts, promises, undertakings, or representations made by any other Party or any other Party's legal representatives, agents or advisors at any time prior to and through the Settlement Date;
 - C. Such Party considers the terms of the Agreement to be fair and reasonable and not unconscionable in whole or in part, and such Party's consent to this Agreement was not procured, obtained, or induced in any way or manner by mistake, fraud, improper conduct, or undue influence;
 - D. After investigation and consultation with his, her, or its own attorneys, if any, such Party agrees that this Agreement is satisfactory and is fully supported by good, valid, and

adequate consideration for all obligations, performance and promises to perform herein, the receipt of which is expressly acknowledged by such Party;

- E. Such Party understands and agrees to all terms, provisions and conditions of this Agreement;
- F. Such Party has the requisite legal authority, capacity, and consent to execute this Agreement, and this Agreement is binding upon such Party acting in the legal capacity or capacities herein stated;
- G. Such Party represents and warrants that in executing this Agreement, it, he or she is not relying on any representation or warranty other than that which is specifically set forth in writing in this Agreement;
- H. Since the date of commencement of the Dallas Federal Case, such Party has not transferred or assigned any interest in any of its, his or her interest in any claim or property interest affected by this Agreement (except for domain names identified in the monthly reports required by February 8, 2010, Order Regarding Transparency in the Transfer and Deletion of Domain Names by the Court in the Dallas Federal Case);
- I. Since the commencement of the Dallas Federal Case, such Party has not transferred or assigned all or any portion in any of its, his or her interest in any claims or causes of action that such Party may have against any other Party to this Agreement (except to his or its attorneys in consideration for attorneys' fees);
- J. Each of the Parties hereto represents and warrants to each other Party that at no time after December 30, 2005, did Ondova or the Estate (i) own any interest, legally or beneficially (including, without limitation, domain names), in the Blue Horizon Portfolio, the Odd Group Portfolio or the Even Group Portfolio; or (ii) sell, assign, transfer or otherwise exercise a remedy available to Ondova or the Estate with respect to the Blue Horizon Portfolio, the Odd Group Portfolio or the Even Group Portfolio; and
- K. Each of the Parties hereto represents and warrants to each other Party that the USVI deal was not consummated.
- L. As of the date of the filing of the 9019 motion in the Bankruptcy Court, each of the Trustee of the Village Trust and the Trustee of the MMSK Trust represent and warrant that all beneficiaries of such trusts are Parties to this Agreement or that the beneficiaries of such trusts that are Parties to this Agreement have the legal capacity to sign on behalf of the other beneficiaries of such trusts.
- M. As of the date of the filing of the 9019 motion in the Bankruptcy Court, Baron represents and warrants that all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust are signing this Agreement or that he has the legal capacity to sign on behalf of the other beneficiaries of such trusts and IRAs.
- N. As of the date of the filing of the 9019 motion in the Bankruptcy Court, each of Munish Krishan and Seema Krishan represent and warrant that all beneficiaries of The MMSK Trust are signing this Agreement or that he or she, as applicable, has the legal capacity to sign on behalf of the other beneficiaries of The MMSK Trust.

19. **Requested Findings.** The Parties agree to seek Bankruptcy Court approval in the order approving this Agreement for the following findings ("Findings"):

- A. That in December 2005 Jeffrey Baron, directly or indirectly through entities owned or controlled by Jeffrey Baron, intended to transfer any domain name he or they owned to the Village Trust and such intention to transfer was not conditional on whether or not the USVI deal was consummated.
- B. That Jeffrey Baron has not been the moving force behind monetization of the domain names in the "Odd Group Portfolio" since at least July 17, 2009.
- C. That Jeffrey Baron has not been the moving force behind monetization of the domain names in the Blue Horizon Portfolio since at least April 25, 2009.
- D. That neither Jeffrey Baron nor Ondova Limited Company have been listed as the registrant of record for, or been the licensee of the listed registrant of record for, or holder of record title to or in, the domain names in the Odd Group Portfolio.

The Parties acknowledge and understand that the Findings may not be approved by the Bankruptcy Court. Since the Findings are not required, the Findings are not material to this Agreement and the remaining terms of the Agreement are: (i) not affected; (ii) fully enforceable, and (iii) shall be fully performed as required by this Agreement.

20. **Taxes.**

- A. After the Transfer Date, upon the reasonable request of any Party, each other Party shall cooperate in all reasonable respects in preparing for any audits of, or disputes with, taxing authorities regarding any tax returns concerning the matters addressed in this Agreement. Each Party shall be solely responsible for paying any taxes or penalties assessed against them and, further, shall be responsible for all of its attorney fees and costs associated therewith. The mutual general releases provided for in this Agreement include a release of any claims for contribution or indemnity or monetary damages related to any taxes or any penalties assessed against any Party. Subject to the agreement of the Parties set forth in Section 20.A. hereof, each Party is free to take the tax position of its choosing and is solely responsible for any consequences resulting from any such position taken.
- B. The Parties agree that unanimous consent of Newco LLC (as defined below), Quantec LLC, Iguana Consulting LLC, and Novo Point LLC is required to engage in any discussions with the USVI BIR concerning the tax liability of Quantec, Inc., Iguana Consulting, Inc. or Novo Point, Inc., for taxable years beginning on or after January 1, 2006. The Parties further agree that:
 - (i) The Parties, as applicable, rescind any purported assignment of shares in the USVI corporations from MMSK Trust to the existing Trust LLCs and any purported ownership interest in the existing Trust LLCs issued to MMSK Trust, and such Parties further agree to treat such assignment and issuance as having never occurred;
 - (ii) The Parties agree that the Manila Related Parties have never had any ownership interest in any of the Trust LLCs;

- (iii) On or before July 12, 2010, the Trustee of the MMSK Trust agrees to form a new Cook Islands LLC ("Newco LLC") owned by the MMSK Trust to hold the MMSK Trust's and Manila Related Parties' shares of Quantec, Inc. and Iguana Consulting, Inc; the Trustee of the MMSK Trust, Quantec LLC and Iguana Consulting LLC agree to execute Exhibit N acknowledging the rescission/quitclaim of Quantec LLC's and Iguana Consulting LLC's purported ownership of the MMSK Trust's shares of Quantec, Inc. and Iguana Consulting, Inc. and the MMSK Trust's purported ownership interest in Quantec LLC and Iguana Consulting LLC; the Trustee of the MMSK Trust agrees to execute Exhibit O assigning the MMSK Trust's shares of Quantec, Inc. and Iguana Consulting, Inc. to Newco LLC; and the Manila Related Parties agree to execute Exhibit P assigning the Manila Related Parties' shares of Quantec, Inc. and Iguana Consulting, Inc. to Newco LLC;
- (iv) The current Protector of the MMSK Trust shall appoint Cook Islands Trust Protectors Limited as successor Protector of the MMSK Trust and resign as Protector of the MMSK Trust in the exact form attached hereto as Exhibit P (which has been executed and delivered to the attorney for the Trust LLCs by the Protector via an email dated June 21, 2010, from Bernard Haissly to Craig Capua). Within five (5) business days of the Settlement Date, the Trust LLCs agree to: (i) take care of any outstanding fee owed to the Protector of the MMSK Trust (the Protector has represented the amount of its full and final fee in an email dated June 21, 2010, from Bernard Haissly to Craig Capua and Ravi Puri) (Gerrit Pronske is personally contributing \$10,000 to the Trust LLCs towards this payment) and the Manila Parties agree that they will not authorize the Protector to incur any further fees, expenses or costs for the MMSK Trust (which authorization is required pursuant to the email dated June 21, 2010 from Bernard Haissly to Craig Capua and Ravi Puri in order for fees to go above \$20,000 in total)(Craig Capua has also agreed in an email dated June 21, 2010 to Gerrit Pronske and Ravi Puri not to authorize the Protector to incur any further fees, expenses or costs for the MMSK Trust); and within five (5) business days of the Settlement Date, the Trustee of the MMSK Trust agrees to: (ii) forward to the Manila Parties a valid resignation from PN Management Limited as the Protector of the MMSK Trust in the form attached as Exhibit Q (exclusive of the exhibit reference) (that has been executed by Bernard Haissly on behalf of the current Protector of the MMSK Trust); and
- (v) Within five (5) business days of the completion of actions in clause (iii) above, (a) Asiatrust Limited shall resign as Trustee of the MMSK Trust by executing and delivering a resignation and appointment of successor notice in the exact form attached hereto as Exhibit R (exclusive of the exhibit reference, and (b) the Protector of the MMSK Trust shall appoint Global Consultants and Services (Cook Islands) Limited as successor Trustee of the MMSK Trust.
21. **Jurisdiction.** The United States Bankruptcy Court for the Northern District of Texas (Dallas Division) shall have the exclusive jurisdiction over all disputes and/or matters whatsoever related to this Agreement, which involve the Estate as a party or that may directly or indirectly impact the Estate or any interest in property (within the meaning of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code")) held by the Estate or the Chapter 11 Trustee (as trustee for Ondova). Subject to the foregoing, the United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other

disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise. In the event that the Honorable Royal Furgeson is not available to hear a case related to this Agreement, then any other judge of the United States District Court for the Northern District of Texas shall have jurisdiction over such case.

22. **Choice of Law.** This Agreement shall be governed by and construed in accordance with applicable federal bankruptcy law, 11 U.S.C. §101 et seq., and the laws of the State of Texas, without regard to its conflicts of law principles.
23. **Attorneys' Fees and Costs.** In each of the Underlying Cases, each of the Parties shall bear its own respective attorneys' fees and costs. In the event of a dispute, the prevailing Party in any action to enforce this Agreement shall be entitled to reasonable attorneys' fees and costs of litigation.
24. **Binding Agreement.** The Parties agree that this Agreement, inclusive of the Recitals in Article 1 hereof, is a totally binding agreement which may not be altered by any Party without the written consent of all other Parties and will be in effect for all times, unless otherwise provided herein. This Agreement shall inure to the benefit of, and shall be binding upon the Parties hereto, and their respective heirs, distributees, beneficiaries, executors, administrators, successors, and assigns.
25. **Ondova Plan /Claims Objections.** Prior to the hearing on the motion to approve this Agreement, the Chapter 11 Trustee intends to file the Ondova Plan, if feasible, to provide for, inter alia, payment of claims of creditors of Ondova. With respect to proofs of claim and other obligations of Ondova, the Chapter 11 Trustee agrees to allow the Daystar Trust to review and object to claims (but only in an amount in excess of \$10,000). The Chapter 11 Trustee reserves the right to comment and/or oppose any objections to claims filed by the Daystar Trust. The Chapter 11 Trustee does not object to Jeffrey Baron filing a competing reorganization plan and/or liquidation plan for Ondova. Prior to filing the Ondova Plan, the Trustee agrees to meet with Jeffrey Baron to confer regarding the Ondova Plan.
26. **Claims for Breach of this Agreement Not Released. IT IS EXPRESSLY UNDERSTOOD AND AGREED AMONG THE PARTIES TO THIS AGREEMENT THAT THE TERMS OF THIS AGREEMENT RELEASING AND DISCHARGING THE PARTIES ARE NOT INTENDED TO RELATE TO, AND NONE OF THE PARTIES ARE RELEASING ANY OTHER PARTY FROM, ANY CLAIM WHICH MAY HEREAFTER ACCRUE WHICH IS BASED SOLELY UPON FACTS OCCURRING AFTER THE SETTLEMENT DATE AND WHICH SOLELY RELATES TO OR ARISES DIRECTLY FROM OR OUT OF A BREACH OF THIS AGREEMENT ITSELF. THIS SECTION 26 IS NOT INTENDED TO LIMIT THE PROSPECTIVE RELEASE (WHICH IS SET FORTH IN SECTION 15) FOR CLAIMS WHICH ARE BASED IN WHOLE OR IN PART ON FACTS OCCURRING PRIOR TO THE EFFECTIVE DATE.**
27. **Waivers.** No waiver of any of the terms or provisions hereof shall be valid unless in writing and signed by all Parties. No waiver of default of any provision hereof shall be deemed a waiver of any subsequent breach or default of the same or similar nature.
28. **Reviewed by Counsel.** By execution hereof, each of the Parties acknowledges and agrees that this Agreement has been prepared and/or reviewed by the respective Parties and/or by the attorneys for each of the Parties.

29. **Entire Agreement.** Each Party hereto acknowledges that he, she, or it has carefully read this Agreement, including all documents or Exhibits that it incorporates and/or refers to, and that this Agreement expresses the entire agreement among the Parties concerning the subject matters it purports to cover; and that each Party has executed this Agreement freely and of his, her, or its own accord. No Party is relying on any oral representation or any other representation not set forth in writing in this Agreement. This Agreement supersedes all other agreements, whether written or oral, between the Parties relating to the subject matter hereof.
30. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be of equal rank. The execution of one counterpart by a Party shall be deemed the execution of all counterparts by such Party.
31. **Injunctive Relief.** The Parties agree that monetary damages alone may not be adequate recompense for any breach of this Agreement. In the event any Party breaches any of the terms, conditions, covenants, obligations, responsibilities or warranties placed upon such Party in this Agreement, then any other Party may seek only the remedies of specific performance and/or injunctive relief (whether mandatory or by restraint) and/or monetary damages, and if such Party is successful, then the Party breaching this Agreement agrees to pay all of the prevailing parties' reasonable attorneys' fees and costs of litigation in addition to any monetary damages awarded, if any. The Parties agree that the Pokerstar.com License Agreement provides for its own remedies and that the remedies available in this Agreement are not available under the Pokerstar.com License Agreement unless otherwise agreed upon in writing.
32. **Time of Essence.** Time is of the essence in performing the provisions of this Agreement.
33. **Survival.** The agreements, representations, and warranties set forth in this Agreement shall survive the execution hereof. If any term or provision of this Agreement shall be held to be invalid or unenforceable for any reason, such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining terms and provisions hereof. This Agreement shall be construed as if such invalid or unenforceable term or provision had not been contained herein, provided, however, that the foregoing shall in no way be interpreted or construed to affect the enforceability of the release provisions of this Agreement. This Agreement has been duly authorized and constitutes a legal, valid, and binding obligation of each Party hereto and is enforceable against each of them in accordance with its terms.
34. **Notice.** Any notices required by this Agreement shall be sufficiently given only if in writing and delivered personally or by a nationally recognized courier service, or mailed by prepaid registered mail addressed to the party for whom it is intended, at the address noted below, provided that any Party may notify the other Parties in writing of a change in such Party's address for the purposes hereof:

If to Baron:

Jeffrey Baron
P. O. Box 111501
Carrollton, Texas 75011

and

EXECUTION VERSION

Gerrit Pronske
Pronske & Patel
2200 Ross Avenue, Suite 5350
Dallas, Texas 75201

If to Ondova:

Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

If to Manassas:

Manassas, LLC
Craig Capua
West & Associates
320 South R.L. Thornton Freeway
Suite 300
Dallas, Texas 75203

If to Shiloh, LLC:

Shiloh, LLC
c/o Quantec LLC
Level 2 BCI House
P.O. Box 822
Rarotonga

If to Javelina, LLC:

Cook Islands
Javelina, LLC
c/o Novo Point LLC
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

If to Diamond Key:

Diamond Key, LLC
c/o Nina deVassal
3553 Asbury
Dallas, Texas 75205

If to the Trustee of The Village Trust:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

and

Craig Capua
West & Associates
320 South R.L. Thornton Freeway
Suite 300
Dallas, Texas 75203

If to the USVI Representative Parties:

Franklin H. Perry
Payne & Blanchard, LLP
700 N. Pearl Street, Suite 500
Dallas, Texas 75201

and

Denis A. Kleinfeld
Kopelowitz Ostrow
200 SW 1st Avenue, 12th Floor
Ft. Lauderdale, Florida 33301

If to Manila Parties and Manila Related
Parties:

John W. MacPete
Locke Lord Bissell & Liddell, LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201

With a courtesy copy to:

Ravi Puri, Esq.
Netsphere Inc.
1300 Bristol Street North, Suite 200
Newport Beach, CA 92660

35. **Retention of Protected Materials.** With respect to any discovery materials that have been produced under protective order in any of the Underlying Cases, such materials shall be preserved in accordance with and remain subject to the subject protective orders. Gardere Wynne shall maintain copies of the imaged computers produced to Special Master Peter Vogel by Equivalent Data and any copies which are currently in Equivalent Data's possession during the term of the License Agreement, and no Party or third party shall have access to such imaged computers except pursuant to legal process. To the extent any Party to this Agreement seeks access to copies of the imaged computers via legal process, such Party shall concurrently provide notice of such request to Baron and the Manila Parties. Special Master Peter Vogel has agreed to keep and maintain such discovery materials at no cost. Baron and the Manila Parties agree to seek an order from The Honorable Royal Furgeson which confirms that Gardere Wynne will maintain such copies during

the term of the License Agreement, the form of such order to be substantially as set forth in Exhibit Q attached hereto.

IN WITNESS WHEREOF, the Parties have each signed this Agreement as of the Settlement Date.

DANIEL J. SHERMAN, Chapter 11
Bankruptcy Trustee of Ondova Limited
Company

ONDOVA LIMITED COMPANY

By: _____
Daniel J. Sherman, Chapter 11 Bankruptcy
Trustee

MUNISH KRISHAN, Individually and on
behalf of Mahnik Krishan and Amani Krishan

SEEMA KRISHAN, Individually and on behalf
of Mahnik Krishan and Amani Krishan

BIJU MATHEW, Individually

AMIR ASAD, Individually

ROHIT KRISHAN, Individually

MANOJ KRISHAN, Individually

MANISH AGGARWAL, Individually

AMER ZAVERI, Individually

JEFFREY BARON, individually and as a beneficiary of and on behalf of all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust

DAYSTAR TRUST

By: _____
Jeffrey Baron, Trustee

BELTON TRUST

By: _____
Jeffrey Baron, Trustee

DENIS KLEINFELD, individually and on behalf of all officers, directors, managers, members and employees of the USVI Entities

JEANNE HUDSON, individually

BYRON DEAN, individually and as Sole Member of Manassas

BUD BRANSTETTER, individually and as Manager of Manassas

NINA DEVASSAL, individually and as Sole Member and Manager of Diamond Key, LLC

SHILOH, LLC

By: _____
Name: _____
Title: _____

JAVELINA, LLC

By: _____
Name: _____
Title: _____

THE MMSK TRUST

By: Asiatrusted Limited, Its Trustee

By: _____
Name: _____
Title: _____

THE VILLAGE TRUST

By: Asiatrusted Limited, Its Trustee

By: _____
Name: _____
Title: _____

MANILA INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

NETSPHERE, INC.

By: _____
Name: _____
Title: _____

HCB, LLC, a Delaware limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

HCB, LLC, a USVI limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

REALTY INVESTMENT MANAGEMENT, LLC, a Delaware limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

REALTY INVESTMENT MANAGEMENT, LLC, a USVI limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

SIMPLE SOLUTIONS, LLC

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

SEARCH GUIDE, LLC

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

BLUE HORIZON LIMITED LIABILITY COMPANY

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

FOUR POINTS MANAGEMENT, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

MARSHDEN, LLC

By: _____
Name: _____
Title: _____

NOVO POINT, INC.

By: _____
Name: _____
Title: _____

IGUANA CONSULTING, INC.

By: _____
Name: _____
Title: _____

QUANTEC, INC.

By: _____
Name: _____
Title: _____

NOVO POINT LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

QUANTEC LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

CALLINGCARDS.COM, LLC

By: _____
Name: _____
Title: _____

EXECUTION VERSION

ID GENESIS, LLC

By: Netsphere, Inc., Sole Member

By: _____

Name: _____

Title: _____

DOMAIN JAMBOREE, LLC

By: _____

Name: _____

Title: _____

EQUITY TRUST COMPANY, a South Dakota trust company, as Custodian of IRA 19471 and as successor in interest of Mid Ohio Securities as Custodian of IRA 19471

By: _____

Name: _____

Title: _____

CHARLES ALDOUS, individually

JEFF RASANKY, individually

RON SHERIDAN, individually

EXHIBIT A

Form of Security Agreement

NETSPHERE, INC.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (“Security Agreement”), effective as of _____, 2010 (the “Effective Date”), is made by NETSPHERE, INC., a Michigan corporation (“Maker”), MANILA INDUSTRIES, INC., a California corporation (“Manila”) and ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands (“Payee”).

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Manila, Payee and other parties named therein (the “Settlement Agreement”), Manila agreed to make the Deferred Payment (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Manila’s obligations to make the Deferred Payment, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker’s right, title and interest in the domain name *FreeSex.com*;

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Deferred Payment, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Security Agreement, the following terms shall have the following meanings:

“**Collateral**” shall mean all of Maker’s right, title and interest in and to the domain name *FreeSex.com* (the “Domain Name”), but Collateral shall not include, and the Payee waives any right to, any Proceeds and Contract Rights, insurance proceeds, unearned premiums, tax refunds, rents, profits and products thereof or any content or other information which may be located at or appear on the website using this Domain Name.

“**Contract Rights**” shall mean any right to payment related to the Collateral.

“**Deferred Payment Default**” shall mean Manila’s failure to pay the Deferred Payment in accordance with the Settlement Agreement, which failure remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker and Manila.

“**Event of Default**” shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Security Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker and Manila, or (ii) a Deferred Payment Default.

“**GAAP**” shall mean generally accepted accounting principles.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“**Proceeds**” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received by or owing to or generated by Maker or for the benefit of Maker when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“**Secured Obligations**” shall mean the obligation of Manila to pay the Deferred Payment and the obligations of Maker under this Security Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“**UCC**” shall mean the Uniform Commercial Code as in effect in the State of California.

“**Post-Default Deposits**” shall mean all Proceeds, Contract Rights, insurance proceeds, rents, profits and revenue of any type or character actually received by Maker generated from the Collateral (including but not limited to revenues generated from the lease or license of the Collateral) after the date of a Noticed Default (as defined in paragraph 8 hereof).

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Security Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Security Agreement (including, without limitation, in a bankruptcy proceeding).

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Deferred Payment remains outstanding and except as otherwise permitted under this Security Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral; provided, however that (i) Maker may, without Payee’s consent, sell, transfer, assign or otherwise dispose of the Collateral if the proceeds of such transaction are used to pay the Deferred Payment in full and in cash at the closing of any such transaction, and (ii) Maker may from time to time, without Payee’s consent, lease and/or license the rights to the Collateral so long as such lease or license remains subject to this Security Agreement and subordinate to Payee’s first lien on the Collateral.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Security Agreement:

(i) Organization and Corporate Power. Maker is a corporation validly existing and in good standing under the laws of Michigan.

(ii) Authorization; No Breach. The execution, delivery and performance of this Security Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Security Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker's capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Security Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Security Agreement or otherwise; and (iii) Payee's exercise of its rights under this Security Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Security Agreement (i) the California address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Michigan is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Security Agreement (i) none of its Collateral is covered by any certificate of title or subject to any lien or grant of any security interest other than the one created by this Security Agreement, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Security Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Except for expenditures of cash in the ordinary course of business or as otherwise permitted under Section 3(a) of this Security Agreement, Maker shall not sell, transfer, assign, convey or otherwise dispose of, or extend, amend, terminate or otherwise modify any material

term or provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect the Collateral.

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a first lien perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then so long as such Event of Default exists:

(a) If the Event of Default is a Deferred Payment Default or default under paragraph 3(a) hereof, then Payee's sole remedy for such default shall be to pursue a final, non-appealable judgment to permit the sale at public auction of the Collateral pursuant to Article 9 of the UCC to satisfy the Deferred Payment debt and/or to seek payment of the Deferred Payment debt, plus any fees and costs pursuant to paragraph 15(f) from the Post Default Deposits. The sale at public auction of the Collateral pursuant to Article 9 of the UCC shall occur only after notice and advertising of any sale at public auction has been published for at least sixty (60) days in advance of the sale date and notice must be provided to persons and entities as are required under Article 9

of the UCC for the conduct of a commercially reasonable sale at public auction. Additionally, any such sale at public auction must be conducted by one of the nationally recognized domain name auctioneers (or their successors) listed on Schedule 1 attached hereto, to the extent that such auctioneers are then in existence and in the business of conducting domain name auctions. If none of the auctioneers (or their respective successors) listed on Schedule 1 are then in existence or will agree to conduct the sale on sixty (60) days notice, then Payee must use such other auctioneer as would be required by Article 9 of the UCC for the conduct of a commercially reasonable sale at public auction. In the event that a sale of the Collateral and application of the Post-Default Deposits results in a surplus over and above the amount of the Deferred Payment debt plus any fees and costs pursuant to paragraph 15(f), then such surplus shall be paid within five (5) business days to Maker and, in the event that a sale of the Collateral results in a deficiency, then Payee shall have recourse for such deficiency against Manila. To the extent that Payee seeks payment of the Deferred Payment debt from the Post-Default Deposits, Manila shall be liable to Maker for the amount of Post-Default Deposits applied to the Deferred Payment debt.

(b) If the Event of Default is other than a Deferred Payment Default or default under paragraph 3(a), then Payee's sole remedy shall be to seek specific performance, including, but not limited to, preliminary injunctive relief and any attorneys fees permitted pursuant to subsection 15(f), by Maker of the warranty, covenant, agreement or term breached.

(c) It being understood in each instance referenced in clauses (a) and (b) above that Maker shall have no obligation to make any payment of the Deferred Payment to Payee, which shall at all times remain an obligation of Manila, and that Payee shall not have, nor be entitled to, any other right or remedy under this Security Agreement, the UCC or any other applicable law.

12. Agreement to Deposit Funds. In the event of an uncured Deferred Payment Default or a default under paragraph 3(a) hereof, and upon written notice to Maker by Payee pursuant to the terms hereof, and regardless of whether Maker contests whether such Deferred Payment Default or other default under paragraph 3(a) hereof has occurred or whether Maker asserts defenses to such alleged default, Maker agrees and it shall deposit into the registry of the United States District Court for the Northern District of Texas, in connection with the litigation described in paragraph 11 hereof, all Post Default Deposits. Maker agrees and stipulates that its obligation to make the Post Default Deposits, as described herein, shall be enforceable by injunctive relief without bond and without the need for Payee to demonstrate irreparable injury, such injury being stipulated and agreed to herein, and regardless of whether Maker asserts defenses to any of the defaults called by Payee hereunder; it being the intent of Maker and Payee that the right to the Post-Default Deposits should ultimately be adjudicated by the court which has jurisdiction of the claims asserted by Payee against Maker as referenced in paragraph 11 hereof, and pursuant to this Security Agreement. All payments by Maker of the Post-Default Deposits shall be made within five (5) business days from the date that they are received by Maker. Maker agrees and stipulates that it shall not divert any traffic from freesex.com or, upon the written notice to Maker by Payee pursuant to the terms hereof and after of a Deferred Payment Default or a default under paragraph 3(a) and regardless of whether Maker contests whether such Deferred Payment Default or other default under paragraph 3(a) hereof has occurred, that it shall not divert any revenue from feesex.com, all of which shall constitute Post Default Deposits. The obligation to make Post Default Deposits and prohibition against diverting revenues or traffic from freesex.com shall be enforceable by injunctive relief and based upon the stipulation and agreement of Maker that no bond shall be required for such injunctive relief, and no showing of irreparable injury shall be required, such irreparable injury being stipulated to by Maker herein.

13. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Security Agreement by Payee.

(b) To the extent that Manila makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Manila or a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Security Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party; provided that Maker shall have no obligation to make any payment of the Deferred Payment to Payee.

14. Defeasance. Upon payment in full of the Secured Obligations, this Security Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 14 which shall survive), and in such event Payee shall, at Payee's expense take all action necessary to terminate Payee's security interest in the Collateral. This Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

15. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Security Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Security Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

(c) This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Security Agreement by signing any such counterpart.

(d) THIS SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF CALIFORNIA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF CALIFORNIA.

(e) This Security Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

(f) If any action is brought to enforce or interpret the terms of this Security Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Security Agreement, whether related to its consummation, implementation, enforcement or otherwise. In the event that the Honorable Royal Furgeson is not available to hear a case related to this Security Agreement, then any other judge of the United States District Court for the Northern District of Texas shall have jurisdiction over such case.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the Effective Date.

NETSPHERE, INC.

By: _____
Name _____
Title: _____

Address:
Netsphere, Inc.
c/o Ravi Puri, Esq.
1300 Bristol Street North, Suite 200
Newport Beach, CA 92660

MANILA INDUSTRIES, INC.

By: _____
Name _____
Title: _____

Address:
Manila Industries, Inc.
23312 Eagle Ridge
Mission Viejo, CA 92692

EXECUTION VERSION

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____

Name: _____

Title: _____

Address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

SCHEDULE 1 TO EXHIBIT A
List of Auctioneers

Auctioneer shall be one of the following (so long as it continues to conduct domain name auctions):

- 1) The legal entity that operates auctions via Sedo.com;
- 2) The legal entity that operates auctions via maltzauctions.com
- 3) Moniker Online Services, LLC (currently located at <http://domainauctions.moniker.com/>)
- 4) Rick Latona Auctions (currently located at <http://www.ricklatona.com/domains/>)

EXHIBIT B

Form of License Agreement

POKERSTAR.COM LICENSE AGREEMENT

THIS POKERSTAR.COM LICENSE AGREEMENT ("License Agreement"), effective as of the date of the last signature hereto ("Effective Date"), is by and between Asiitrust Limited as Trustee of the Village Trust ("Licensor"), and Netsphere, Inc., a Michigan corporation with its principal place of business at 1300 Bristol Street North, Suite 200, Newport Beach, CA 92660 ("Netsphere").

WHEREAS, Licensor represents and warrants that it is the sole registrant and owner of all rights (property, contract, copyright, and all other rights recognized in law) in the internet domain name Pokerstar.com and wishes to grant Netsphere an exclusive license to the Pokerstar.com domain name.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. DOMAIN LICENSE

1.1 License.

Licensor hereby grants to Netsphere, for the Term of this License Agreement, an exclusive license to the Pokerstar.com domain name, including, but not limited to, the exclusive right to use, in Netsphere's sole discretion, Pokerstar.com in any form of Online Business and including the right to sublicense. For purposes of this License Agreement, "Online Business" includes, but is not limited to, domain parking, monetization, and build out and/or operation of a website associated with the Pokerstar.com domain name. Nothing herein shall obligate Netsphere to operate, market, develop, or promote (including without limitation through search engine optimization, purchasing keywords, advertising, or any affiliate program) any Online Business or otherwise use the Pokerstar.com domain name during the Term of this License Agreement. Licensor shall have no right of control, participation, or management regarding the use or non-use of the Pokerstar.com domain name by Netsphere during the Term of this License Agreement. Licensor may not grant another license to the Pokerstar.com domain name during the Term without the written consent of Netsphere. Except as specifically provided herein, the ownership of all rights in the domain name Pokerstar.com will remain with the Licensor and are in no way transferred to Netsphere by virtue of the license granted in this License Agreement.

1.2 License Fee.

In exchange for the exclusive license granted to Netsphere, fifty percent (50%) of any revenue Netsphere receives from third parties via operation of any website at the address Pokerstar.com during the Term ("License Fee") shall be paid via wire transfer to Licensor (in accordance with the wire instructions provided by Craig Capua to John MacPete by email on June 7, 2010, by the 5th business day of each month for monies received (only includes actual receipts, not monies earned, for which exact copies of e-mails or online bank account activity statements indicating the relevant wire transfer receipts for the operation of any website at the address Pokerstar.com shall be provided) in the prior month (i.e. revenues earned in March will typically be paid to/received by Netsphere in April and, if received by Netsphere in April, the License Fee from revenues earned in March will then be paid to Licensor by the 5th business day of May). Netsphere shall retain the other fifty percent (50%) of any revenue it receives from third parties via operation of a website at the address Pokerstar.com ("Netsphere Payment"). Until such time as the Combined Pokerstar Revenue and the Additional Payment (as such terms are defined in the

Settlement Agreement entered into by the parties on July 2, 2010 ("Settlement Agreement") have been paid in accordance with Section 6.C. of the Settlement Agreement, payments of the License Fee will be made pursuant to Section 6.B and 6.C of the Settlement Agreement. If Licensor does not receive the License Fee within the time period discussed in this paragraph, Licensor shall notify Netsphere in writing. Within thirty (30) days of such notice ("Notice Period"), Netsphere shall attempt to cure by: i) sending Licensor a copy of the wire confirmation OR ii) sending any outstanding License Fee to Licensor. If Netsphere fails to cure within the Notice Period, within five (5) business days of the end of such Notice Period, Netsphere agrees to pay the License Fee and the Netsphere Payment into an escrow account held by Gracy Title Company until the dispute is resolved. Additionally, if Netsphere utilizes the Notice Period, due to Netsphere's sole fault, more than two (2) times during any calendar year, it shall pay Licensor the amount of two hundred fifty dollars (\$250) ("Penalty Amount") for each Notice Period utilized in excess of two (2) times during such calendar year. This Penalty Amount does not apply if the additional Notice Period(s) utilized by Netsphere were not caused by Netsphere's failure to pay any outstanding License Fee.

1.3 Domain Renewal.

During the Term, Licensor agrees to continue to renew Pokerstar.com at its own cost, with renewal to be completed at least thirty-five (35) days prior to the expiration of any registration period. If Licensor fails to renew Pokerstar.com at least thirty-five (35) days prior to the expiration of any registration period, Netsphere shall notify Licensor in writing. Within 5 days of such notice ("Renewal Notice Period"), Licensor shall attempt to cure by renewing the registration period for Pokerstar.com. If Licensor fails to cure within the Renewal Notice Period, Netsphere may renew the registration on Licensor's behalf and, in such event, Netsphere may deduct the renewal fee plus a Twenty Five Thousand Dollar (\$25,000) penalty from the next License Fee(s) owed to Licensor. If Netsphere exercises its right to renew the registration of Pokerstar.com, if Pokerstar.com's registrar refuses to perform the renewal, Licensor and Pokerstar.com's registrar agree that Netsphere shall be entitled to specific performance and a mandatory preliminary and permanent injunction without any bond requirement and without prior notice to Licensor, its registrar, and/or any other third party, requiring renewal of the Pokerstar.com domain for a minimum term of one (1) year (or longer, if requested and paid for by Netsphere). Any costs, fees and attorney's fees incurred by Netsphere to obtain such injunctive relief shall be deducted from the next License Fee(s) owed to Licensor until such costs, fees, and attorney's fees are fully recovered.

1.4 Nameserver Change.

During the Term, Licensor agrees to only point the nameservers and/or IP addresses for Pokerstar.com to those nameservers and/or IP addresses requested by Netsphere (in its sole discretion) in writing (including via e-mail). Other nameservers and/or IP addresses not authorized and/or requested by Netsphere are not permitted. Any request by Netsphere to Licensor for an update to the nameserver and/or IP address for Pokerstar.com shall be completed by Licensor (or its registrar) within twenty-four (24) business hours (based on eight (8) hours per business day) of such request. If, during the Term, Licensor, the registrar for Pokerstar.com, or any other third party ("Licensor Parties") removes and/or directs the nameservers and/or IP addresses for Pokerstar.com to nameservers and/or IP addresses not authorized or consented to by Netsphere in writing ("NS Removal"), Netsphere shall send notice ("Nameserver Notice") to Licensor pursuant to the instructions provided by Licensor in an email to Ravi Puri dated July 1, 2010. Within twenty-four (24) business hours (based on eight (8) hours per business day) of the Nameserver Notice ("NS Notice Period"), the Licensor Parties shall update the nameservers and/or IP addresses for Pokerstar.com as requested by Netsphere ("NS Update"). Licensor Parties and any entity and/or individual acting with or without the consent of Licensor agree that Netsphere shall also be entitled to specific performance and a mandatory preliminary and permanent injunction requiring the NS Update without any bond requirement and without prior notice to the Licensor Parties. If Licensor Parties fail to

perform the NS Update within twelve (12) business hours, or immediately if Licensor Parties utilize the NS Notice Period more than two (2) times during any calendar year, it shall pay Netsphere an amount, equal to the revenue for the subject number of days (any partial days shall be rounded up to the next whole number) multiplied by fifty percent (50%), Pokerstar.com has not been directed to a Netsphere requested nameserver and/or IP address multiplied by the highest revenue earned for one day in the most recent 30 days prior to the day the nameservers and/or IP addresses were not directed to a Netsphere requested nameserver and/or IP address less fifty percent (50%) of any monies received by Netsphere for Pokerstar.com for the day(s) the nameservers and/or IP addresses were not directed (regardless of when received) as requested by Netsphere PLUS any reasonable costs, fees and attorney's fees incurred by Netsphere to obtain injunctive relief, if any, shall be deducted from the next License Fee(s) owed to Licensor until the costs, fees, attorney's fees, and penalty(ies) are fully recovered.

1.5 Intellectual Property Rights.

a. Netsphere and its advertisers, affiliates, service providers and suppliers will retain ownership of their intellectual property, including, but not limited to, patent, trademark, trade secret, and copyrights ("Intellectual Property"). All material available and/or published on a website at the address Pokerstar.com, via the nameservers and/or IP addresses that Netsphere has requested Licensor to point towards, including, but not limited to, written content, photographs, graphics, images, illustrations, marks, logos, sound or video clips, and flash animation, is protected by intellectual property rights, including, but not limited to, patent, copyright, trademark and trade secret (collectively "PS Content") and is the sole property of Netsphere or its advertisers, affiliates, service providers and/or suppliers.

b. Licensor agrees that it is not authorized or licensed to use the PS Content and/or the Intellectual Property that is used on or in connection with a website at the address Pokerstar.com and will not make a claim to any rights to or ownership of the PS Content and/or any Intellectual Property that is used on or in connection with a website at the address Pokerstar.com. Licensor will not: (1) adapt, alter, broadcast, circulate, copy, create derivative works of, display, dispose, distribute, disseminate, edit, electronically transfer, exploit, lease, license, loan, make available, modify, publish, register, rent, reproduce, retransmit, revise, sell, sublicense, translate, or use any PS Content and/or Intellectual Property; (2) reverse engineer, decompile, reverse compile, or disassemble any PS Content and/or Intellectual Property in whole or in part; (3) use any information obtained by crawling and/or spidering the website at the address Pokerstar.com (including, but not limited to the search results and any other content); and/or (4) authorize any other person or entity to do any of the foregoing.

1.6 Term and Termination.

a. Unless earlier terminated as set forth herein, the original term of this License Agreement shall extend for twenty-five (25) years from the Transfer Date as set forth in the Settlement Agreement and any subsequent renewal of this License Agreement for any period of time shall be agreed to in writing by both parties at least thirty (30) days prior to the end of the original or any subsequent term. The original term and any and all renewal terms are included within the meaning of "Term" as used herein.

b. Licensor may terminate this License Agreement only if the monthly funds received by Licensor from Netsphere fall below Twelve Thousand Five Hundred United States Dollars (\$12,500) per month for six (6) consecutive months. If Licensor elects to exercise its option to terminate under this provision, Licensor shall provide Netsphere with thirty (30) days written notice of termination.

c. Unless otherwise agreed to in this paragraph 1.6, this License Agreement may not be terminated for any reason, including, but not limited to, an alleged breach of this License Agreement or the Settlement Agreement.

1.7 No Warranties.

Nothing in this License Agreement shall be deemed to be a warranty, express or implied, by Netsphere as to Netsphere's performance under this License Agreement and/or the performance of any Online Business related to the Pokerstar.com domain. Netsphere shall not owe Licensor any fiduciary duties or other duties that are not expressly provided in this License Agreement.

1.8 Records; Auditing.

During the Term of the License Agreement, Licensor shall have the right, upon at least fifteen (15) business days prior written notice, during normal business hours, through an independent auditor, to examine and audit Netsphere's books and records for the preceding twelve (12) months (as of the date of the audit) relating solely to the operation of a website at the address Pokerstar.com and the revenue received therefrom (the "Records"), which books and records shall be kept and maintained by Netsphere in accordance with generally accepted accounting principles, consistently applied, separate and apart from the books and records for Netsphere's other business operations. Except in the case of an uncured default hereunder, Licensor may exercise such right no more than one (1) time per calendar year. The cost of any such examination and audit shall be paid by Licensor, except that, if it is determined on the basis of such audit (or if, in accordance with the following provisions, it is otherwise ultimately determined) that Netsphere's revenues received for the period audited were understated by more than five percent (5%), then the reasonable cost of the audit shall be paid by Netsphere and Netsphere shall immediately pay Licensor any sums due as a License Fee for the subject audit period.

1.9 Notice.

The parties agree that for purposes of notice, the names, e-mails, and facsimile numbers to receive notice under this License Agreement may be changed subject to such information being provided to the other party at least ten (10) days prior to the effective date of the change.

2. CONFIDENTIALITY

To the extent that the terms of this License Agreement are confidential and, except as required by law, each of Licensor and Netsphere agree not to disclose the terms of this License Agreement to anyone other than their officers, directors, attorneys, accountants, or pursuant to the formal request of any law enforcement or administrative agency or a subpoena or order of a court, or as necessary to enforce its rights or obligations under this License Agreement (the "Non-Disclosure Obligations"). Furthermore, in the event of any formal request of any law enforcement or administrative agency or a subpoena or order of court, Licensor and Netsphere must use diligent reasonable efforts to limit each disclosure of confidential information and notify the other party prior to disclosure, when permitted by law, so that either (or both) party may seek confidential treatment or a protective order preventing such disclosure. The parties' Non-Disclosure Obligations include, without limitation, refraining from publishing or issuing any press releases, news articles or external bulletins, and refraining from posting any statements on the Internet that are accessible by third parties, or sending any e-mails or other correspondence to a third party regarding the confidential terms of this License Agreement.

3. GENERAL

3.1 No Third Party Beneficiaries.

This License Agreement is made solely for the benefit of the parties to this License Agreement and their respective successors and assigns, and no other person or entity shall have or acquire any right by virtue of this License Agreement

3.2 No Inducement.

No party has been induced to enter into this License Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this License Agreement.

3.3 No Waiver.

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this License Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

3.4 Force Majeure.

If any party delays or fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor, materials or supplies or reasonable substitutes for labor, materials or supplies, governmental restrictions, government regulations, governmental controls, judicial orders, enemy or hostile governmental action, terrorism, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused provided, that the party whose performance is affected by any such event gives the other party written notice thereof within ten (10) business days of such event or occurrence.

3.5 Severability.

If a court or an arbitrator of competent jurisdiction holds any provision of this License Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

3.6 Entire Agreement and Independent Counsel.

This License Agreement, including all terms incorporated by reference, is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding and terminating any prior agreements and communications (both written and oral) regarding such subject matter. This License Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. Each party has been represented by counsel (or had the opportunity for same) and the provisions hereof shall not be construed more harshly against either party as a result of drafting responsibilities. If any action is brought to enforce or interpret the terms of this License Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.7 Independent Contractors.

The parties are independent contractors and not joint venturers. Neither party shall be deemed to be an employee, employer, partner, distributor, joint venturer, agent, or legal representative of the other party hereto for any purpose and neither party hereto shall have any right, power or authority to assume or create any obligation or responsibility on behalf of the other party hereto nor shall this be deemed an exclusive or fiduciary relationship.

3.8 Counterparts.

This License Agreement may be executed in two or more counterparts, each of which shall be an original or faxed copy and all of which together shall constitute one instrument. Facsimile signatures shall have the same force and effect as original signatures.

3.9 Descriptive Headings.

The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this License Agreement.

3.10 Taxes.

Each party shall be responsible for its own tax filings, preparation, and payments as it may relate to their respective value added tax (V.A.T.), federal, state, or local tax or any other tax imposed by any governmental entity with taxing authority related to the respective parties.

3.11 Survival.

Paragraphs 1.2 (with respect to fees incurred as of the date of termination), 1.3 (with respect to fees incurred as of the date of termination), 1.4 (with respect to fees incurred as of the date of termination), 1.5 and 2 shall survive expiration of the Term or earlier termination of this License Agreement.

IN WITNESS WHEREOF, each party through its duly authorized representative has executed this License Agreement as of the Effective Date:

NETSPHERE, INC.

ASIATRUST LIMITED AS TRUSTEE OF
THE VILLAGE TRUST

By: _____
Name:
Title:
Date:

By: _____
Name:
Title:
Date:

EXHIBIT C

Form of Pokerstar Security Agreement

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement"), effective as of _____, 2010 (the "Effective Date"), is made by ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands ("Maker"), and DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION ("Payee").

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Maker, Payee and other parties named therein (the "Settlement Agreement"), Maker agreed to make the Additional Payment (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Maker's obligations to make the Additional Payment, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker's right, title and interest in the domain name *pokerstar.com*, which shall be subordinate to the Pokerstar.com License Agreement under the Settlement Agreement ("Pokerstar License");

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Additional Payment, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"**Additional Payment Default**" shall mean Maker's failure to pay the Additional Payment in accordance with the Settlement Agreement, which failure remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker.

"**Collateral**" shall mean all of Maker's right, title and interest in and to the domain name *pokerstar.com* (the "Domain Name"), but Collateral shall not include, and the Payee waives any right to, any Proceeds and Contract Rights, insurance proceeds, unearned premiums, tax refunds, rents, profits and products thereof or any content or other information which may be located at or appear on the website using this Domain Name.

"**Contract Rights**" shall mean any right to payment related to the Collateral.

"**Event of Default**" shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker, or (ii) an Additional Payment Default.

"**GAAP**" shall mean generally accepted accounting principles.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“Pokerstar Escrow Agreement” shall have the meaning attributed to such term in the Settlement Agreement.

“Proceeds” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“Secured Obligations” shall mean the obligation of Maker to pay the Additional Payment and the obligations of Maker under this Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“UCC” shall mean the Uniform Commercial Code as in effect in the State of Texas.

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral which shall be subordinate to the Pokerstar.com License. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Agreement (including, without limitation, in a bankruptcy proceeding) except that such security interests and liens shall be subordinate to the Pokerstar.com License.

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Additional Payment remains outstanding and except as otherwise permitted under this Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral; provided, however that (i) Maker may, without Payee’s consent, sell, transfer, assign or otherwise dispose of the Collateral if the proceeds of such transaction are used to pay the Additional Payment in full, and (ii) Maker may from time to time, without Payee’s consent, sublease and/or sublicense the rights to the Pokerstar.com License (but not re-register the Collateral in violation of the Settlement Agreement) so long as such sublease or sublicense remains subject to this Agreement and subordinate to Payee’s lien on the Collateral.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Agreement:

(i) Organization and Corporate Power. Maker is a trust validly existing and in good standing under the laws of the Cooks Islands.

(ii) Authorization; No Breach. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker's capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Agreement, unless and until the Collateral is transferred to Payee pursuant to the terms of the Pokerstar Escrow Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Agreement or otherwise; and (iii) Payee's exercise of its rights under this Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Agreement (i) the address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Cook Islands is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Agreement (i) none of its Collateral is covered by any certificate of title, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations and the Pokerstar.com License.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations and the Pokerstar.com License), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, which is subordinate to the Pokerstar.com License, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Except for expenditures of cash in the ordinary course of business or as otherwise permitted under Section 3(a) of this Agreement, Maker shall not sell, transfer, assign, convey or otherwise dispose of, or extend, amend, terminate or otherwise modify any material term or

provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties. Payee shall be deemed to have exercised reasonable care in the preservation and custody of the portion of the Collateral as may be in Payee's possession if Payee takes such action as Maker shall reasonably request in writing; provided, such requested action shall not, in the judgment of Payee, impair Payee's prior security interest in such Collateral or its rights in or the value of such Collateral and, provided further, that such written request is received by Payee in sufficient time to permit Payee to take the requested action.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect the Collateral.

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor, except with respect to the Pokerstar.com License, to which its security interest is subordinate.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then so long as such Event of Default exists, (i) if the Event of Default is an Additional Payment Default, then Payee's sole remedy for such Additional Payment Default shall be to pursue a final, non-appealable judgment to cause the transfer of the Domain Name in accordance with the provisions of the Pokerstar Escrow Agreement, and (ii) if the

Event of Default is other than an Additional Payment Default, then Payee's sole remedy shall be to seek specific performance, including, but not limited to, preliminary injunctive relief and any attorneys fees permitted pursuant to subsection 14(f), by Maker of the warranty, covenant, agreement or term breached, it being understood in each instance referenced in clauses (i) and (ii) above that Payee shall not have, nor be entitled to, any other right or remedy under this Agreement, the UCC or any other applicable law.

12. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, or the Pokerstar Escrow Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Agreement by Payee.

(b) To the extent that Maker makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Maker or a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party..

13. Defeasance. Upon payment in full of the Secured Obligations, this Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 13 which shall survive), and in such event Payee shall, at Payee's expense and without recourse, representation or warranty, redeliver and reassign to Maker the Collateral, terminate the Pokerstar Escrow Agreement in accordance with its terms and take all action necessary to terminate Payee's security interest in the Collateral. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

(c) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(d) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS.

(e) This Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

(f) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

[Remainder of page intentionally left blank]

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:

Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

Address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXHIBIT D

Form of Pokerstar Escrow Agreement

DOMAIN NAME ESCROW AGREEMENT

ESCROW NO. _____

BY AND AMONG

DANIEL J. SHERMAN, TRUSTEE,
ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST
AND GRACY TITLE COMPANY

TO: Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer
Telephone: (512) 322-8728
Fax: (512) 472-3101
Email: elizabeth@gracytitle.com

THIS DOMAIN NAME ESCROW AGREEMENT ("Agreement") is made and entered into effective as of _____, 2010 (the "Effective Date"), by and among DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION (the "Chapter 11 Trustee"), ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST ("Maker") and GRACY TITLE COMPANY, a Texas corporation ("Escrow Agent"). The parties hereby agree as follows:

1. The Chapter 11 Trustee, Asiatrust and other parties named therein entered into that certain Mutual Settlement and Release Agreement dated July 2, 2010 (the "Settlement Agreement"), which provides for Maker to execute and deliver the Pokerstar Assignment (as defined in the Settlement Agreement) in escrow to secure Maker's payment of the Additional Payment (as defined in the Settlement Agreement).

2. Escrow Agent has agreed to serve in a depository capacity and as a stakeholder only, on and subject to the terms and provisions set forth in this Agreement.

3. In accordance with the Settlement Agreement, Maker will deposit in escrow, and the Escrow Agent agrees to receive and hold, the Pokerstar Assignment for the benefit of the Chapter 11 Trustee.

4. Upon receipt of (i) Maker's dated and signed notice in the form attached hereto as Schedule 1 (the "Default Notice") and (ii) a judgment ("Judgment") from either the U.S. Bankruptcy Court for the Northern District of Texas or the U.S. District Court for the Northern District of Texas, which judgment the Chapter 11 Trustee represents to be a final and non-appealable judgment, ordering the Escrow Agent to date and deliver the Pokerstar Assignment to the Chapter 11 Trustee, then (provided Maker has not objected to delivery of the Assignment by written notice delivered the Chapter 11 Trustee

and Escrow Agent within ten (10) business days after the date of the Default Notice on the grounds that the subject judgment is not final and non-appealable), Escrow Agent agrees, promptly after expiration of the subject ten (10) business day period, to date the Assignment and deliver it to Chapter 11 Trustee. Provided that if Escrow Agent receives a dated and signed release request in the form attached hereto as Schedule 2 (the "Release Notice"), Escrow Agent shall promptly return the Assignment to Maker.

5. The parties hereto recognize, acknowledge, covenant and agree that the following terms and provisions shall control with respect to the rights, privileges, duties, liabilities and immunities of Escrow Agent hereunder:

(a) Escrow Agent is acting solely in the role of a depository hereunder.

(b) Escrow Agent shall not be responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the subject matter of the escrow hereby established, or any portion thereof, or for the form or execution thereof, or for the identity or authority of any person executing or depositing the same.

(c) Escrow Agent is hereby authorized to rely upon, and shall be protected in acting upon, any written notice, statement, waiver, consent, certificate, affidavit, receipt, authorization, power of attorney or other instrument or document which Escrow Agent in good faith believes to be genuine and what it purports to be.

(d) In accepting any documents delivered to Escrow Agent hereunder, it is agreed and understood that Escrow Agent will not be called upon to construe any contract, instrument or document deposited herewith or submitted hereunder, but only to follow the specific instructions provided for pursuant to this Agreement.

(e) Except for this Agreement, Escrow Agent is not a party to, and shall not be bound by, any agreements by and among Chapter 11 Trustee and Maker.

(f) Escrow Agent shall not be liable for anything which it may do or refrain from doing in connection herewith, except due directly to its own negligence or willful misconduct.

(g) In the event of any disagreement between any of the parties to this Agreement, or between them or either or any of them and any other person or party, resulting in adverse and/or conflicting claims or demands being made in connection with the subject matter of this escrow, or in the event that Escrow Agent, in good faith, is in doubt as to what action it should take hereunder, Escrow Agent may, in its sole discretion, refuse to comply with any claims or demands made upon it, or refuse to take any other action hereunder, or interplead this agreement into the U.S. District Court for the Northern District of Texas, so long as such disagreement continues or such doubt exists, and in such event Escrow Agent shall not be or become liable in any way or to any person or party for its failure or refusal to act, and Escrow Agent shall be entitled to continue to so refrain from acting until (i) the rights of all interested parties shall have been fully and finally adjudicated by either the U.S. Bankruptcy Court for the Northern District of Texas or the U.S. District Court for the Northern District of Texas or (ii) all differences shall have been adjusted and all doubt resolved by agreement among all of the interested parties and Escrow Agent shall have been notified thereof in writing signed by all such parties.

6. For its ordinary services hereunder, Escrow Agent shall be entitled to a fee of \$100.00, payable by Maker concurrently with Escrow Agent's execution hereof.

7. Any notice, report or demand required, permitted or desired to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes on the day sent by nationally recognized overnight courier or when telefaxed by confirmed facsimile, addressed to (i) Escrow Agent at the address on the first page hereof, and (ii) the Chapter 11 Trustee and Asiatrust as follows:

If to Maker: Asiastrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands
Phone: 011-682-2338
Fax: 011-682-2338

If to the Chapter 11 Trustee: Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

8. Facsimile signatures appearing hereon shall be deemed an original and this document may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9. This Agreement constitutes the entire agreement and understanding among Maker, the Chapter 11 Trustee and Escrow Agent with respect to the Assignment. No subsequent alteration, amendment, change, deletion or addition to this Agreement shall be binding or effective unless the same shall be in writing and signed by all parties to this Agreement.

10. This Agreement shall be governed by and construed under and in accordance with the laws of the State of Texas, without resort to conflicts of law principles.

11. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

12. Time is of the essence with respect to this Agreement.

EXECUTION VERSION

MAKER:

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____

Name: _____

Title: _____

CHAPTER 11 TRUSTEE:

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

ESCROW RECEIPT

Escrow Agent hereby acknowledges receipt of this Agreement and of the original of the Pokerstar Assignment referenced therein and agrees to hold and dispose of the same in accordance with the terms and provisions of this Agreement.

Dated: _____, 2010

ESCROW AGENT:

Gracy Title Company

By _____
Elizabeth Young
Sr. Commercial Escrow Officer

SCHEDULE 1 TO EXHIBIT D - ESCROW AGREEMENT

Form of Default Notice

_____, 20__

**BY CERTIFIED MAIL, RETURN
RECEIPT REQUESTED**

Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer

RE: Escrow No. _____ (“Escrow”) by and between Daniel J. Sherman, Trustee (the “Chapter 11 Trustee”), Asiatrust Limited as Trustee of the Village Trust (“Asiatrust”) and Gracy Title Company “Escrow Agent”)

Dear Ms. Young:

Pursuant to the referenced Escrow, the Chapter 11 Trustee hereby (i) advises Escrow Agent that the _____ [name of court issuing order] has issued the attached judgment (“Judgment”) ordering Escrow Agent to date and deliver the Pokerstar Assignment to the Chapter 11 Trustee; (ii) represents to Escrow Agent that the Judgment is final and non-appealable; and (iii) instructs Escrow Agent to take the following action on the eleventh (11th) business day after the date Escrow Agent receives this notice:

1. Date the Pokerstar Assignment as of the date of Escrow Agent’s receipt of this notice;
2. Mail the Assignment to the Chapter 11 Trustee by certified mail, return receipt requested, to the following address:

Daniel J. Sherman, Trustee for Ondova Limited
Company
509 N. Montclair Avenue
Dallas, Texas 75208

3. Mail a copy of this notice and of Escrow Agent’s transmittal pursuant to Section 2 above (inclusive of a copy of the dated Assignment) to Asiatrust by certified mail, return receipt requested, to the following addresses:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXECUTION VERSION

Sincerely,

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

cc: Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659
(via certified mail, return receipt requested)

SCHEDULE 2 TO EXHIBIT D - ESCROW AGREEMENT

Form of Request Notice

_____, 20__

**BY CERTIFIED MAIL, RETURN
RECEIPT REQUESTED**

Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer

RE: Escrow No. _____ (“Escrow”) by and between Daniel J. Sherman,
Trustee (the “Chapter 11 Trustee”), Asiatrust Limited as Trustee of the Village Trust
 (“Asiatrust”) and Gracy Title Company “Escrow Agent”)

Dear Ms. Young:

Pursuant to the referenced Escrow, the Chapter 11 Trustee and Asiatrust hereby (i) advise Escrow Agent that Asiatrust has satisfied its obligations pursuant to that certain Security Agreement dated _____, 2010, from Asiatrust, as Maker, and the Chapter 11 Trustee, as Payee, and (ii) instruct Escrow Agent to promptly return the Pokerstar assignment to Asiatrust by certified mail, return receipt requested, to the following address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

Sincerely,

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

cc: Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659
(*via certified mail, return receipt requested*)

D-9

EXHIBIT E

Form of Pokerstar Assignment

ASSIGNMENT

STATE OF _____
COUNTY OF _____

§
§
§

KNOW ALL BY THESE PRESENTS

WHEREAS, THE VILLAGE TRUST, a Cook Islands trust ("Assignor"), is the owner and holder of the domain name *pokerstar.com* (the "Name"); and

WHEREAS, Assignor desires to sell, assign, and transfer the Name to DANIEL J. SHERMAN, CHAPTER 11 TRUSTEE FOR ONDOVA LIMITED COMPANY ("Assignee"); and

WHEREAS, Assignee desires to acquire the Name from Assignor;

NOW, THEREFORE, FOR VALUE RECEIVED:

1. Assignor hereby sells, assigns and transfers the name, and all right, title and interest of Assignor in and to the Name, subject to the Pokerstar.com License Agreement under the Settlement Agreement, unto Assignee, its successors and assigns, forever, and Assignor covenants and agrees, on Assignor's behalf, and on behalf of Assignor's successors and assigns, to warrant and forever defend the title to the Name, and all such right, title and interest, against the claims and demands of all persons.

2. Assignor hereby (i) represents to Assignor that it (a) owns the Name free and clear of any liens or encumbrances, except for the Pokerstar.com License Agreement under the Settlement Agreement, (b) has full power and authority to sell, assign and transfer the Name to Assignee pursuant to this Assignment, and (c) has taken all action required for the effectuation of the sale, assignment and transfer of the Name to Assignee pursuant to this Assignment.

3. The undertakings and covenants contained in this Assignment shall be binding upon, and inure to the benefit of, Assignee, its successors and assigns.

4. This Assignment shall be governed by and construed under the substantive laws of the State of Texas, without resort to conflict of laws principles.

EXECUTED on the __ day of _____, 2010.

ASSIGNOR:

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____

Name: _____

Title: _____

STATE OF _____

§
§
§

COUNTY OF _____

This instrument was acknowledged before me on _____, 20__, by _____, _____ of Asiatrust Limited, Trustee of The Village Trust, a Cook Islands trust, on behalf of said trust.

Notary Public, State of _____

EXHIBIT F

Form of Blue Horizon Security Agreement

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement"), effective as of _____, 2010 (the "Effective Date"), is made by ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands ("Maker"), and DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION ("Payee").

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Maker, Payee and other parties named therein (the "Settlement Agreement"), Maker agreed to make the Additional Payment (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Maker's obligations to make the Additional Payment, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker's right, title and interest in the Blue Horizon Portfolio (as defined below);

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Additional Payment, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"**Additional Payment Default**" shall mean Maker's failure to pay the Additional Payment in accordance with the Settlement Agreement, which failure remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker.

"**Blue Horizon Portfolio**" shall mean any and all domain names that previously were registered through Ondova Limited Company, exclusive of the Even Group Portfolio (as defined in the Settlement Agreement), the Odd Group Portfolio (as defined in the Settlement Agreement) and any domain name not registered through or at Ondova Limited Company as of February 22, 2010, and exclusive of *pokerstar.com*, *servers.com* and the Excluded Disputed Domains.

"**Collateral**" shall mean all of Maker's right, title and interest in and to the Blue Horizon Portfolio, but Collateral shall not include, and the Payee waives any right to, any Proceeds and Contract Rights, insurance proceeds, unearned premiums, tax refunds, rents, profits and products thereof or any content or other information which may be located at or appear on a website using any domain name in the Blue Horizon Portfolio.

"**Contract Rights**" shall mean any right to payment related to the Collateral.

“**Event of Default**” shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker, or (ii) an Additional Payment Default, or (iii) any non-Payee breach Section 6.C. of the Settlement Agreement.

“**GAAP**” shall mean generally accepted accounting principles.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“**Post-Default Deposits**” shall mean all Proceeds, Contract Rights, insurance proceeds, rents, profits and revenue of any type or character actually received by Maker generated from the Collateral (including but not limited to revenues generated from any lease or license of the Collateral) after the date of a Noticed Default (as defined in Section 11 hereof).

“**Proceeds**” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“**Secured Obligations**” shall mean the obligation of Maker to pay the Additional Payment and the obligations of Maker under this Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“**UCC**” shall mean the Uniform Commercial Code as in effect in the State of Texas.

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Agreement (including, without limitation, in a bankruptcy proceeding).

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Additional Payment remains outstanding and except as otherwise permitted under this Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral; provided, however, that Maker may, without Payee’s consent, sell, transfer, assign or otherwise dispose of the Collateral if the proceeds of such transaction are used to pay the Additional Payment in full.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Agreement:

(i) Organization and Corporate Power. Maker is a trust validly existing and in good standing under the laws of the Cooks Islands.

(ii) Authorization; No Breach. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker's capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Agreement or otherwise; and (iii) Payee's exercise of its rights under this Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Agreement (i) the address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Cook Islands is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Agreement (i) none of its Collateral is covered by any certificate of title, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Except for expenditures of cash in the ordinary course of business or as otherwise permitted under Section 3(a) of this Agreement, Maker shall not sell, transfer, assign, convey or

otherwise dispose of, or extend, amend, terminate or otherwise modify any material term or provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties. Payee shall be deemed to have exercised reasonable care in the preservation and custody of the portion of the Collateral as may be in Payee's possession if Payee takes such action as Maker shall reasonably request in writing; provided, such requested action shall not, in the judgment of Payee, impair Payee's prior security interest in such Collateral or its rights in or the value of such Collateral and, provided further, that such written request is received by Payee in sufficient time to permit Payee to take the requested action.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect the Collateral.

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then Payee shall have the right to auction the Collateral pursuant to Article 9 of the UCC; provided, auction shall occur only after notice and advertising of any sale at public auction has been published for at least sixty (60) days in advance of the sale date and notice must be provided to persons and entities as are required under Article 9 of the UCC

for the conduct of a commercially reasonable sale at public auction. Additionally, any such sale at public auction must be conducted by one of the nationally recognized domain name auctioneers (or their successors) listed on Schedule 1 attached hereto, to the extent that such auctioneers are then in existence and in the business of conducting domain name auctions. If none of the auctioneers (or their respective successors) listed on Schedule 1 are then in existence or will agree to conduct the sale on sixty (60) days notice, then Payee must use such other auctioneer as would be required by Article 9 of the UCC for the conduct of a commercially reasonable sale at public auction. In the event that a sale of the Collateral and application of the Post-Default Deposits results in a surplus over and above the amount of the Deferred Payment debt plus any fees and costs pursuant to Section 15(f) below, then such surplus shall be promptly paid to Maker and, in the event that a sale of the Collateral results in a deficiency, then Payee shall have recourse for such deficiency against Maker. To the extent that Payee seeks payment of the Additional Payment debt from the Post-Default Deposits, Manila shall be liable to Maker for the amount of Post-Default Deposits applied to the Additional Payment debt.

12. Agreement to Deposit Funds. In the event of an uncured Additional Payment Default or a default under Section 3(a) above, and upon written notice to Maker by Payee pursuant to the terms hereof, and regardless of whether Maker contests whether such Additional Payment Default or other default under Section 3(a) above has occurred or whether Maker asserts defenses to such alleged default, Maker agrees and it shall deposit into the registry of the United States District Court for the Northern District of Texas, all Post Default Deposits. Maker agrees and stipulates that its obligation to make the Post Default Deposits, as described herein, shall be enforceable by injunctive relief without bond and without the need for Payee to demonstrate irreparable injury, such injury being stipulated and agreed to herein, and regardless of whether Maker asserts defenses to any of the defaults called by Payee hereunder. All payments by Maker of the Post-Default Deposits shall be made within five (5) business days from the date that they are received by Maker. The obligation to make Post Default Deposits and prohibition against diverting revenues or traffic set forth in Section 6.c. of the Settlement Agreement shall be enforceable by injunctive relief and based upon the stipulation and agreement of Maker that no bond shall be required for such injunctive relief, and no showing of irreparable injury shall be required, such irreparable injury being stipulated to by Maker herein.

13. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Agreement by Payee.

(b) To the extent that Maker makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Maker or a trustee, receiver or any other party under any

bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party.

14. Defeasance. Upon payment in full of the Secured Obligations, this Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 14 which shall survive), and in such event Payee shall, at Payee's expense and without recourse, representation or warranty, redeliver and reassign to Maker the Collateral and take all action necessary to terminate Payee's security interest in the Collateral. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

15. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

(c) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(d) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS.

(e) This Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

(f) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-

defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

[Remainder of page intentionally left blank]

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:

Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

Address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXHIBIT G

Form Of Agreed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	CASE NO. 09-34784-SGJ-11
ONDOVA LIMITED COMPANY,	§	
	§	CHAPTER 11
DEBTOR.	§	
	§	

AGREED ORDER DIRECTING PAYMENT OF MONETIZATION FUNDS TO TRUSTEE

At Dallas, Texas, in said District, pursuant to the Order entered on July __, 2010 approving the Trustee's Motion for Approval of Settlement Agreement Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure ("Settlement Motion") filed on June __, 2010 by Daniel J. Sherman, Chapter 11 Trustee of Ondova Limited Company ("Trustee"), in the event of default of payment of the provisions of the Mutual Settlement and Release Agreement executed on July 2, 2010 ("Settlement Agreement") the Trustee is entitled to receive monetization funds from revenues generated from domain names directly from hitfarm.com or any other monetizer used by the Village Trust, Javelina, LLC, Novo Point, LLC or Diamond Key, LLC.

The Trustee has not received payments pursuant to the Settlement Agreement and accordingly, hitfarm.com is directed to pay all monetizations from Novo Point, LLC, Javelina, LLC and Diamond Key, LLC directly to Daniel J. Sherman in the amount of \$_____.

It is so ORDERED.

END OF ORDER

EXECUTION VERSION

AGREED TO:

MUNSCH HARDT KOPF & HARR, P.C.

HOHMANN, TAUBE & SANDERS, LLP

By: _____

Raymond J. Urbanik
3800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201-6659
Telephone: (214) 855-7500
Facsimile: (214) 855-7584

By: _____

Eric Taube
100 Congress Avenue, 18th Floor
Austin, Texas 75701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248

ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

ATTORNEYS FOR THE VILLAGE TRUST,
JAVELINA, LLC, NOVO POINT, LLC AND
DIAMOND KEY, LLC

PRONSKE & PATEL

By: _____

Gerrit M. Pronske
2200 Ross Avenue, Suite 5350
Dallas, Texas 75201
Telephone: (214) 658-6501
Facsimile: (214) 658-6509

ATTORNEYS FOR JEFF BARON

a

EXHIBIT H

Form of Agreed Order of Dismissal/Joint Stipulation in the Texas Case

CAUSE NO. 06-11717-C

ONDOVA LIMITED COMPANY, ET AL,	§	IN THE DISTRICT COURT
PLAINTIFFS,	§	
VS.	§	68th JUDICIAL DISTRICT
	§	
MANILA INDUSTRIES, INC., ET AL,	§	
DEFENDANTS.	§	DALLAS COUNTY, TEXAS

STIPULATED DISMISSAL WITH PREJUDICE

Plaintiffs, Ondova Limited Company d/b/a Compana, LLC and Jeffrey Baron (collectively "Plaintiffs"), filed the Complaint in Cause No. 06-11717-C against Defendants, Munish Krishan, Manila Industries, Inc., Netsphere, Inc., HCB, LLC, Realty Investment Management, LLC, Simple Solutions, LLC, Denis Kleinfeld, Four Points Management, LLLP and Marshden, LLC (collectively "Defendants"). CK Ventures, Inc. d/b/a Hitfarm.com ("Hitfarm") has intervened in this matter and Quantec LLC ("Quantec"), Novo Point LLC ("Novo Point"), and Iguana Consulting LLC ("Iguana") have sought to intervene (Hitfarm, Quantec, Novo Point, and Iguana are herein collectively referred to as the "Intervenors"). Plaintiffs have now agreed upon a resolution of this matter with Defendants and Intervenors prior to a trial on the merits. Plaintiffs, Defendants and Intervenors hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiffs, Defendants and Intervenors are dismissed with prejudice to the right of Plaintiffs, Defendants and Intervenors to file or refile same or any part thereof against any and/or all of the parties herein.
3. Each party shall bear its own costs and attorneys' fees.

4. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>_____ <u>Jeffrey Baron</u> Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Manila Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>

<p><u>Munish Krishan</u> Date: _____, 2010</p>	<p>CK Ventures, Inc. d/b/a Hitfarm.com Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>HCB, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Realty Investment Management, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Simple Solutions, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Four Points Management, LLLP Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Marshden, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p><u>Denis Kleinfeld</u> Date: _____, 2010</p>

SO ORDERED:

Signed _____, 2010.

HONORABLE DISTRICT COURT JUDGE
MARTIN HOFFMAN

EXHIBIT I

Form of Agreed Order of Dismissal/Joint Stipulation in the VI Case

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS
DIVISION OF ST. THOMAS AND ST. JOHN**

SIMPLE SOLUTIONS, LLC,)	
)	
Plaintiff,	)	No. 3:07-CV-123
)	
v.	)	ACTION FOR BREACH OF CONTRACT,
	)	BREACH OF FIDUCIARY DUTY, AND
ONDOVA LIMITED CO., LLC, d/b/a )	)	FRAUD
COMPANA, LLC,)	
)	
Defendant.)	
_____))	

STIPULATED DISMISSAL WITH PREJUDICE

Plaintiff, Simple Solutions, LLC, filed the Complaint in Civil No. 3:07-CV-123 against Defendant, Ondova Limited Company d/b/a Compana, LLC. Plaintiff has now agreed upon a resolution of this matter with Defendant prior to a trial on the merits. Plaintiff and Defendant hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiff and Defendant are dismissed with prejudice to the right of Plaintiff and Defendant to file or refile same or any part thereof against any and/or all of the parties herein.
4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

Simple Solutions, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010	Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010
Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: _____ Name: _____ Title: _____ Date: _____, 2010	

SO ORDERED:

Signed _____, 2010.

THE HONORABLE GEOFFREY W. BARNARD
U.S. MAGISTRATE JUDGE

EXHIBIT J

Form of Joint Motion to Stay Proceedings in the Phonecards.com Case

CAUSE NO. DC08-13925-C

EQUITY TRUST COMPANY, f/k/a	§	
Mid Ohio Securities, Custodian FBO	§	IN THE DISTRICT COURT OF
IRA 19471, and JEFFREY BARON,	§	
As Beneficiary of Equity Trust Company	§	
FBO IRA 19471,	§	
	§	
<i>Plaintiffs,</i>	§	
	§	
vs.	§	DALLAS COUNTY, TEXAS
	§	
ROHIT KRISHAN, Individually and d/b/a	§	
CallingCards.com, MUNISH KRISHAN	§	
Individually and d/b/a CallingCards.com,	§	
MANOJ KRISHAN, Individually and d/b/a	§	
CallingCards.com, and	§	
CALLINGCARDS.COM, LLC	§	
	§	68TH JUDICIAL DISTRICT
<i>Defendants.</i>	§	

JOINT NONSUIT FOR DISMISSAL WITH PREJUDICE

TO THE HONORABLE JUDGE MARTIN HOFFMAN:

Plaintiffs Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471, and Jeffrey Baron, as Beneficiary of Equity Trust Company FBO 19471 and Defendants Rohit Krishan, individually and d/b/a Callingcards.com, Munish Krishan, Manoj Krishan and Callingcards.com, LLC, pursuant to TEX. R. CIV. P. 162, hereby notify the Court of Plaintiffs' Dismissal and Nonsuit with Prejudice of any and all claims brought or that could have been brought against Defendants in the above styled case in the 68th Judicial District of Dallas County, Texas. Defendants also, pursuant to Rule 162, hereby notify this Court of Defendants' Dismissal and Nonsuit with Prejudice of any and all claims brought or that could have been brought against the Plaintiffs in this matter.

This Joint Nonsuit for Dismissal with Prejudice becomes effective immediately upon filing of this notice, and requires no intervention by this Court.

EXECUTION VERSION

Respectfully submitted,

By: _____

Mark L. Taylor
State Bar No. 00792244
Amy A. Johnson
State Bar No. 24060024
CASH POWERS TAYLOR L.L.P.
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
Telephone: (214) 239-8900
Facsimile: (214) 239-8901

ATTORNEYS FOR PLAINTIFFS

BOYARMILLER

By: _____

Lee A. Collins
State Bar No. 00790484
Craig Dillard
State Bar No. 24040808
4265 San Felipe Road, Suite 1200
Houston, Texas 77027
Telephone: (713) 850-7766
Facsimile: (713) 552-1758

And

LOCKE LORD BISSELL & LIDELL LLP

By: _____

John W. MacPete
State Bar No. 00791156
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Telephone: (214) 740-8662
Facsimile: (214) 756-8662

**COUNSEL FOR DEFENDANTS MANOJ
KRISHAN, MUNISH KRISHAN, ROHIT
KRISHAN, INDIVIDUALLY AND DBA
CALLINGCARDS.COM, AND
CALLINGCARDS.COM, LLC**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served, pursuant to TEX. R. CIV. P. 21 and 21a, on this the ___ day of _____ 2010 on the following:

Via Fax

Mark Taylor
Amy Johnson
Cash Powers Taylor LLP
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
Fax: (214) 239-8901

Via Certified Mail, Return Receipt Requested

Jeffrey Hall
7242 Main St.
Frisco, TX 75034

Via Fax

John W. MacPete
LOCKE LORD BISSELL & LIDDELL LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Fax: (214) 756-8662

John W. MacPete

EXHIBIT K

Form of Agreed Order of Dismissal/Joint Stipulation in the Dallas Federal Case

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC., et al.,

Plaintiffs,

vs.

JEFFREY BARON, et. al.,

Defendants.

§
§
§
§
§
§
§
§
§
§
§

**CIVIL ACTION NO.
3-09CV0988-F**

STIPULATED DISMISSAL WITH PREJUDICE

Plaintiffs, Netsphere, Inc., Manila Industries, Inc. and Munish Krishan (collectively "Plaintiffs"), filed the Complaint in Civil No. 3-09-CV-0988-F against Defendants, Jeffrey Baron and Ondova Limited Company d/b/a Compana, LLC (collectively "Defendants"). Charla Aldous ("Aldous") and Jeffrey Rasansky ("Rasansky") have intervened in this matter and Quantec LLC ("Quantec"), Novo Point LLC ("Novo Point"), and Iguana Consulting LLC ("Iguana") have sought to intervene (Aldous, Rasansky, Quantec, Novo Point, and Iguana are herein collectively referred to as the "Intervenors"). Plaintiffs have now agreed upon a resolution of this matter with Defendants and Intervenors prior to a trial on the merits. Plaintiffs, Defendants and Intervenors hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiffs, Defendants and Intervenors are dismissed with prejudice to the right of Plaintiffs,

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>Netsphere, Inc.</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>	<p>Manila Industries, Inc.</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>
	<p>_____ <u>Munish Krishan</u></p> <p>Date: _____, 2010</p>
<p>_____ <u>Jeffrey Baron</u></p> <p>Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>	<p>Quantec LLC</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>

EXECUTION VERSION

Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010	Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010
_____ <u>Charla Aldous</u> Date: _____, 2010	_____ <u>Jeffrey Rasansky</u> Date: _____, 2010

SO ORDERED:

Signed _____, 2010.

THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT COURT JUDGE

EXHIBIT L

Form of CC Assignment

PHONECARDS.COM ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT ("Agreement") is dated as of _____, 2012, from CallingCards.com, LLC ("Assignor"), to Equity Trust Company ("Assignee").

1. Assignor hereby assigns to Assignee, and Assignee hereby accepts from Assignor, all of the right, title and interest that Assignor possesses and has the right to assign in the domain name PHONECARDS.COM in exchange for Assignee's payment of Ten Thousand Dollars (\$10,000.00 U.S.), in certified funds, which is tendered concurrently herewith.

2. Assignor will take such additional steps necessary, if any, to vest in Assignee all right, title and interest of Assignor in and to the domain name PHONECARDS.COM, and otherwise to carry out the purpose and intent of this Agreement.

3. This Agreement may be signed in counterparts. A facsimile copy or an electronic image of a signed counterpart shall be deemed to be equivalent to a signed original.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Agreement to be executed and delivered on the date first above written.

ASSIGNOR:

CallingCards.com, LLC

By: _____

Name: _____

Title: _____

ASSIGNEE:

Equity Trust Company

By: _____

Name: _____

Title: _____

EXHIBIT M

Form of Dauben Disclaimer of Interest

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DISCLAIMER OF INTEREST

STATE OF TEXAS

§

KNOW ALL THESE PRESENTS:

§

COUNTY OF DALLAS

§

Joey Dauben, on behalf of himself, Dauben, Inc., d/b/a Texas International Property Associates and Privacy Protection Services, Inc., d/b/a Oakwood Services, Inc., and his and their respective affiliates hereby disclaims any interest in the property described below:

1. Even Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Restore List (as defined in Paragraph 5(e) of the Preliminary Injunction);

2. Odd Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Allocated Names List (as defined in Paragraph 5(d) of the Preliminary Injunction); and

3. Blue Horizon Portfolio, meaning all domain names that previously were registered through Ondova Limited Company, exclusive of the Even Group Portfolio, the Odd Group Portfolio and any domain name not registered through or at Ondova Limited Company as of February 22, 2010, and exclusive of the domain names *Pokerstar.com*, *Servers.com*, and the Excluded Disputed Domains (defined below).

4. The following domain names: *Pokerstar.com*, *Servers.com*, and the Excluded Disputed Domains (defined as the list of twelve (12) domain names in an e-mail from Raymond J. Urbanik to Gerrit Pronske on June 2, 2010).

SIGNED on the date acknowledged below.

JOEY DAUBEN

EXECUTION VERSION

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2010, by Joey Dauben.

Notary Public State of Texas

EXHIBIT N

Form of Rescission/Quitclaim Agreement (Quantec LLC and Iguana Consulting LLC)

RESCISSION AGREEMENT

This Rescission Agreement (this "Agreement") is made this ___ day of _____, 2010 among Quantec LLC, a Cook Islands limited liability company ("Quantec LLC"), Iguana Consulting LLC, a Cook Islands limited liability company ("Iguana Consulting LLC"), and Asiatrust Limited as Trustee of the MMSK Trust, a trust organized and established under the laws of the Cook Islands ("Asiatrust").

RECITALS

A. On or about July 6, 2009, Asiatrust purported to transfer, by operation of law or otherwise, to Quantec LLC 293.25 shares of the capital stock of Quantec, Inc., a United States Virgin Islands corporation (the "Quantec Shares") in consideration of the purported issuance by Quantec LLC to Asiatrust of membership interests in Quantec LLC (the "Quantec LLC Interests").

B. On or about July 6, 2009, Asiatrust purported to transfer, by operation of law or otherwise, to Iguana Consulting LLC 293.25 shares of the capital stock of Iguana Consulting, Inc., a United States Virgin Islands corporation (the "Iguana Shares") in consideration of the purported issuance by Iguana Consulting LLC to Asiatrust of membership interests in Iguana Consulting LLC (the "Iguana Consulting LLC Interests").

C. Asiatrust, Quantec LLC and Iguana Consulting LLC desire to rescind the purported transfer of the Quantec Shares and the Iguana Shares and the purported issuance of the Quantec LLC Interests and the Iguana Consulting LLC Interests and to reinstate Asiatrust's ownership of the Quantec Shares and the Iguana Shares as if such purported transfer and issuance had never happened.

AGREEMENT

In consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Quantec LLC, Iguana Consulting LLC and Asiatrust hereby agree as follows:

1. Rescission of Share Transfer. Quantec LLC and Asiatrust mutually agree that the purported transfer, by operation of law or otherwise, of the Quantec Shares from Asiatrust to Quantec LLC is hereby rescinded and shall be treated as if such transfer never occurred. Iguana Consulting LLC and Asiatrust mutually agree that the purported transfer, by operation of law or otherwise, of the Iguana Shares from Asiatrust to Iguana Consulting LLC is hereby rescinded and shall be treated as if such transfer never occurred. Quantec LLC expressly quitclaims to Asiatrust and disavows all rights of every kind, nature and description, if any, it may have, or ever had, in and to all rights related to the Quantec Shares, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after July 6, 2009 from the Quantec Shares. Iguana Consulting LLC expressly quitclaims to Asiatrust and disavows all rights of every kind, nature and description, if any, it may have, or ever had, in and to all rights related to the Iguana Shares, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after July 6, 2009 from the Iguana Shares.

2. Rescission of Membership Interest Issuance. Quantec LLC and Asiatrust mutually agree that the purported issuance of the Quantec LLC Interests to Asiatrust is hereby rescinded and shall be treated as if such issuance never occurred. Quantec LLC and Asiatrust further agree that Asiatrust shall not be treated as ever having been a member of, or owner of any equity interests in, Quantec LLC. Iguana Consulting LLC and Asiatrust mutually agree that the purported issuance of the Iguana Consulting Interests to Asiatrust is hereby rescinded and shall be treated as if such issuance never occurred. Iguana Consulting LLC and Asiatrust further agree that Asiatrust shall not be treated as ever having been a member of, or owner of any equity interests in, Iguana Consulting LLC.

3. Further Actions. Each of Quantec LLC, Iguana Consulting LLC and Asiatrust shall execute all such additional documents and take all such further action as may be necessary or desirable to effect any of the purposes of, or to reflect any of the actions taken in, this Agreement.

4. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

5. Amendments, Waivers, Counterparts, Jurisdiction, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by each party hereto.

(b) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(c) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(d) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

QUANTEC LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

EXHIBIT O

Form of MMSK Trust Assignments

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 293.25 shares of the common stock of Quantec, Inc. represented by certificate No. 2, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: _____

Name: _____

Title: _____

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 293.25 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 8, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: _____

Name: _____

Title: _____

IN THE PRESENCE OF:

EXHIBIT P

Form of Manila Related Parties' Assignments

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 114.25 shares of the common stock of Quantec, Inc. represented by certificate No. 9, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Biju Mathew

IN THE PRESENCE OF:

EXECUTION VERSION

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____] , a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 45 shares of the common stock of Quantec, Inc. represented by certificate No. 10, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Amir Asad

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 40 shares of the common stock of Quantec, Inc. represented by certificate No. 11, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Rohit Krishan

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 5 shares of the common stock of Quantec, Inc. represented by certificate No. 12, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Manish Aggarwal

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 2.5 shares of the common stock of Quantec, Inc. represented by certificate No. 13, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Amer Zaveri

IN THE PRESENCE OF:

EXECUTION VERSION

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 114.25 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 3, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Biju Mathew

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 45 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 4, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Amir Asad

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 40 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 5, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Rohit Krishan

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 5 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 8, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Manish Aggarwal

IN THE PRESENCE OF:

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 2.5 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 9, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

Amer Zaveri

IN THE PRESENCE OF:

EXHIBIT Q

**RESIGNATION OF PROTECTOR AND APPOINTMENT OF SUCCESSOR
PROTECTOR OF THE MMSK TRUST**

WHEREAS, on December 30, 2005, Munish and Seema Krishan, as Settlers, Asiatrusted Limited, as Trustee, and PN Management Limited, as Protector, executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The MMSK Trust (the "Trust");

WHEREAS, PN Management Limited is currently serving as Protector of the Trust;

WHEREAS, Article V.A. of the Trust Deed provides that the Protector may appoint a successor Protector of the Trust;

WHEREAS, Article V.C. of the Trust Deed provides that the Protector may resign at any time by delivering written notice to the Trustee, which resignation shall be effective at the time or under the conditions specified in such instrument;

WHEREAS, Article III.G. of the Trust Deed provides that a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XIX of the Trust Deed;

WHEREAS, Article V.D. of the Trust Deed provides that the Protector shall have the benefit of the same indemnities, protections, and exculpations as conferred on the Trustee by the operation of law or under the terms of the Trust Deed;

WHEREAS, PN Management Limited wishes to appoint a successor Protector of the Trust;

WHEREAS, PN Management Limited (hereafter, the "Resigning Protector") wishes to resign as Protector of the Trust by giving written notice to the Trustee and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein.

NOW, THEREFORE, the parties agree to the following:

1. The Resigning Protector does hereby appoint **Cook Islands Trust Protectors Limited** as successor protector (the "Successor Protector") to exercise all powers and discretions granted to the Protector under the Trust Deed.

2. By its signature hereto, the Successor Protector does hereby covenant and agree, in its capacity as Protector of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

3. Pursuant to Article V.D., Article III.G. and Article XIX of the Trust Deed, the Trustee hereby covenants with the Resigning Protector and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to indemnify the Resigning Protector and its directors and officers and its successors in title against any and all liabilities, actions, proceedings, claims, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses, and other liabilities of whatsoever nature for and in respect of which the Resigning Protector may be or become liable as protector or former protector of the Trust (the "Liabilities"), PROVIDED THAT the liability of the Trustee under the above indemnity shall not extend to the Liabilities that arise

from the Resigning Protector's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Trustee under the above indemnity shall be limited to the Resigning Protector's right of indemnity against the Trust Property provided under the Trust Deed and shall extend only to the Liabilities in respect of which the Resigning Protector would have been entitled to reimbursement out of the property of the Trust had it remained protector of the Trust on its present terms.

4. The Resigning Protector is hereby released from all liabilities, undertakings, and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings, and obligations relate to the Trust Property.

5. The Resigning Protector does hereby resign as Protector of the Trust.

6. This document shall take effect upon the date on which the last of the undersigned parties executes this document.

7. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

8. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

9. This document shall be governed by, and construed in accordance with the laws of, the Cook Islands.

RESIGNING PROTECTOR:

PN MANAGEMENT LIMITED

By: _____
Print Name: _____
Title: _____

Date

SUCCESSOR PROTECTOR:

COOK ISLANDS TRUST PROTECTORS LIMITED

By: _____
Print Name: _____
Title: _____

Date

Joinder Agreement

WHEREAS, the Trust (as defined above) is a party to that certain Mutual Settlement and Release Agreement by and among Munish Krishan, et al, initially approved by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division Bankruptcy, in Case No. 09-34784-SGJ-11 on June 22, 2010 (the "Settlement Agreement"); and

WHEREAS, in connection with the Settlement Agreement and the subject appointment, PN Management Limited desires for Cook Islands Trust Protectors Limited to (i) acknowledge receipt of a copy of the Settlement Agreement, and (ii) in its capacity as Protector of the Trust, agree to perform the obligations of the Trust pursuant to the Settlement Agreement;

NOW, THEREFORE, Cook Islands Trust Protectors Limited hereby: (i) acknowledges receipt of a copy of the Settlement Agreement; and (ii) covenants and agrees, in its capacity as successor Trustee of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

COOK ISLANDS TRUST PROTECTORS LIMITED

By: _____
Print Name: _____
Title: _____

_____ Date

EXHIBIT R

Form of PN Management Limited Resignation

Form of Asiatrust Resignation

**RESIGNATION OF TRUSTEE and APPOINTMENT OF SUCCESSOR TRUSTEE
OF THE MMSK TRUST**

WHEREAS, on December 30, 2005, Munish and Seema Krishan, as Settlers (the "Settlers"), Asiatrust Limited, as Trustee ("Asiatrust"), and PN Management Limited, as Protector (the "Protector"), executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The MMSK Trust (the "Trust");

WHEREAS, Article III.C. of the Trust Deed provides that the Trustee may resign at any time by providing written notice addressed to the Protector;

WHEREAS, Article III.B.3. of the Trust Deed gives the Protector the power to appoint a successor Trustee, whether within or without the Cook Islands, as Trustee of the Trust;

WHEREAS, Article III.G. of the Trust Deed provides that without prejudice to any other right conferred by law a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XIX of the Trust Deed;

WHEREAS, Asiatrust desires to resign as Trustee of the Trust (the "Resigning Trustee") by giving written notice to the Protector and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein; and

NOW, THEREFORE, the parties hereto agree to the following:

1. Asiatrust does hereby provide written notice to the Protector that it resigns as Trustee of the Trust and Asiatrust is hereby discharged from all or any of the trusts and powers reposed in or conferred on it under the Trust Deed.
2. PN Management Limited, as Protector, does hereby appoint GCSL Trustees Limited as successor Trustee of the Trust (the "Successor Trustee"), to exercise all powers and discretions granted to the Trustee under the Trust Deed.
3. GCSL Trustees Limited does hereby accept its appointment as successor Trustee of the Trust and hereby covenants with the Resigning Trustee and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to indemnify the Resigning Trustee and its directors and, officers, and its successors in title against any and all liabilities, actions, proceedings, claims, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses and other liabilities of whatsoever nature for and in respect of which the Resigning Trustee may be or become liable as trustee or former trustee of the Trust (the "Liabilities"), PROVIDED THAT the Liabilities of the Successor Trustee under the above indemnity shall not extend to the liabilities that arise from the Resigning Trustee's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Successor Trustee under the above indemnity shall be limited to its right of indemnity against the Trust Property provided under the Trust Deed and shall extend

only to the Liabilities in respect of which the Resigning Trustee would have been entitled to reimbursement out of the property of the Trust had it remained trustee of the Trust on its present terms.

4. The Resigning Trustee is hereby released from all liabilities, undertaking and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings and obligations related to the Trust Property.

5. The provisions of this document shall take effect upon the date on which the last of the undersigned parties executes this document (the "Effective Date"), at which time the Trust Property shall vest in the Successor Trustee. The Resigning Trustee, pursuant to Article III.E. of the Trust Deed, hereby covenants with the Successor Trustee to execute all documents and take such other action as may be reasonably necessary or desirable to transfer the Trust Property to the Successor Trustee as soon as possible after the Effective Date.

6. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

7. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

8. This document shall be governed by and construed in accordance with the laws of the Cook Islands.

RESIGNING TRUSTEE

ASIATRUST LIMITED

By: _____
Print name: _____
Title: _____

Date

SUCCESSOR TRUSTEE

Appointment Accepted

GCSL TRUSTEES LIMITED

By: _____
Print name: _____
Title: _____

Date

ACKNOWLEDGED

PN MANAGEMENT LIMITED,
Protector of The MMSK Trust

By: _____
Print name: _____
Title: _____

_____ Date

Joinder Agreement

WHEREAS, the Trust is a party to that certain Mutual Settlement and Release Agreement by and among Munish Krishan, et al, initially approved by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division Bankruptcy, in Case No. 09-34784-SGJ-11 on June 22, 2010 (the "Settlement Agreement"); and

WHEREAS, in connection with the Settlement Agreement and the subject appointment, the Protector (as defined above) desires for GCSL Trustees Limited to (i) acknowledge receipt of a copy of the Settlement Agreement; and (ii) in its capacity as successor Trustee of the Trust, agree to perform the obligations of the Trust pursuant to the Settlement Agreement;

NOW, THEREFORE, GCSL Trustees Limited hereby: (i) acknowledges receipt of a copy of the Settlement Agreement; and (ii) covenants and agrees, in its capacity as successor Trustee of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

GCSL TRUSTEES LIMITED

By: _____
Print name: _____
Title: _____

_____ Date

EXHIBIT S

Form of Order

Order for Maintenance of Records Produced in Litigation

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC., et al.,

Plaintiffs,

vs.

**JEFFREY BARON and
ONDOVA LIMITED COMPANY,
et. al.,**

Defendants.

§
§
§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. 3-09-CV-0988-F

AGREED ORDER RE: MAINTENANCE OF RECORDS PRODUCED IN LITIGATION

In accordance with the Mutual Settlement and Release Agreement (“Settlement Agreement”) entered into on or about July 2, 2010, and submitted in the matter styled *In re Ondova Limited Company d/b/a Compana, LLC*, Bankruptcy Case No. 09-34784-SGJ-11, in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, the parties hereby agree as follows:

Gardere Wynne shall maintain, as confidential information, copies of the imaged computers produced to Special Master Peter Vogel by Equivalent Data and any copies which are currently in Equivalent Data’s possession during the term of the Pokerstar License Agreement, and shall not allow any Party or third party access to such copies of imaged computers, except pursuant to legal process; provided, however that Gardere Wynne shall provide Jeffrey Baron, Ondova and Manila Industries, Inc., with notice with reasonable opportunity to object prior to any such disclosure. Upon the termination or expiration of the license agreement, Gardere Wynne shall destroy all copies of the imaged computers in its possession.

THEREFORE, having considered the agreement of the parties as set forth above, the Court finds it is supported by good consideration and it is hereby APPROVED; and it is further

ORDERED that this Order shall survive the dismissal of this proceeding.

IT IS SO ORDERED.

June _____, 2010.

EXHIBIT 10

ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

Henry H. C. Gann
United States Bankruptcy Judge

Signed July 28, 2010

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: §
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ
Debtor. § (Chapter 11)
§
§

**ORDER GRANTING TRUSTEE'S motion for approval of settlement AGREEMENT
pursuant to rule 9019, FEDERAL RULES OF BANKRUPTCY PROCEDURE**

At Dallas, Texas in said District, on July 12, 14 and 22, 2010, this Court conducted hearings on the *Trustee's Motion for Approval of Settlement Agreement Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure* [Docket No. 368] (the "Motion")¹, filed on July 2, 2010 by Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 trustee of Ondova Limited Company (the "Debtor" or "Ondova").

During the three hearings conducted with respect to the Motion, this Court considered the evidence presented and record before the Court, including, without limitation, the testimony of the Trustee, Jeffrey Baron, Munish Krishan, an affidavit of Munoj Krishan, all of the exhibits introduced at the hearings and the presentations of counsel. The record before the Court also includes the evidence presented at a hearing on June 22, 2010, when the parties first

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

announced to the Court that a global settlement had been reached and the affidavits of Jeffrey Baron as ordered by this Court on July 22, 2010. Accordingly, this Court finds as follows:

A. This Court has jurisdiction to hear and to determine the Motion and to grant the relief requested therein pursuant to 28 U.S.C. §§ 157(a) and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue of the above-captioned bankruptcy case and of the Motion is proper in this District under 28 U.S.C. §§ 1408 and 1409.

B. Notice of the Motion and the foregoing hearings were appropriate and sufficient under the circumstances and complied with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. No further notice of the Motion is necessary.

C. All parties-in-interest had a reasonable opportunity to object to and be heard regarding the Motion and the Settlement Agreement proposed therein. A limited objection to the Motion was filed on July 12, 2010 by Jeffrey Baron pertaining to only one minor portion of the Settlement Agreement, Section 6(c), however as a result of negotiations between the parties, the limited objection of Mr. Baron was resolved and based on the testimony of Mr. Baron from the hearing held on July 14, 2010, Mr. Baron has fully and completely agreed to the Settlement Agreement as negotiated by the parties. Accordingly, the Limited Objection filed by Mr. Baron is overruled.

D. This Court considered the Motion and the Settlement Agreement in the context of the applicable legal standards and requirements for approval of a settlement under Bankruptcy Rule 9019. Specifically, this Court applied the standards established by *United States v. Aweco, Inc. (In re Aweco, Inc.)*, 725 F.2d 293, 299 (5th Cir. 1984), *cert. denied* 469 U.S. 880 (1984), *Protective Comm. For Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414 (1966); *In re Jackson Brewing Co.*, 624 F.2d 599, 602 (5th Cir. 1980).

E. The record before this Court and this Court's own analysis indicate that the

settlement reached by the parties is fair and equitable and should be approved. The Court notes that the litigation and disputes being resolved by the Settlement, including those causes of action that the Trustee could bring on behalf of the Debtor's bankruptcy estate ("Estate"), are novel and complex. The Court notes that many lawsuits are being settled and further believes the Settlement Agreement should be approved in light of the risks and rewards of the complex litigation being settled and the probability of very prolific and protracted litigation in the absence of a settlement. The Settlement Agreement has been extensively negotiated, at arm's length and in good faith, by all the settling parties.

F. The Court finds that the Settlement Agreement is in the best interests of the Estate and an exercise of the Trustee's sound business judgment. The resolutions of the disputes among, and litigation between, the settling parties embodied in the Settlement Agreement are reasonable and appropriate under the circumstances. The consideration to be exchanged between the settling parties in accordance with the terms of the Settlement Agreement, including the releases and security interests contemplated under the Settlement Agreement, are fair, reasonable, and adequate under the circumstances.

G. Mr. Baron requested certain findings as part of the Settlement Agreement, which were proffered into the record during the hearing as follows:

- (i) That in December 2005 Jeffrey Baron, directly or indirectly through entities owned or controlled by Jeffrey Baron, intended to transfer any domain name he or they owned to the Village Trust and such intention to transfer was not conditional on whether or not the USVI deal was consummated;
- (ii) That Jeffrey Baron has not been the moving force behind monetization of the domain names in the "Odd Group Portfolio" since at least July 17, 2009;
- (iii) That Jeffrey Baron has not been the moving force behind monetization of the domain names in the Blue Horizon Portfolio since at least April 25, 2009; and
- (iv) That neither Jeffrey Baron nor Ondova Limited Company have been listed as the registrant of record for, or been the licensee of the listed registrant of record for, or holder of record title to or in, the domain names in the Odd

Group Portfolio.

No parties objected to the proffer and therefore the Court so finds.

H. At the hearing conducted on July 22, 2010, Mr. Baron did not attend due to a medical emergency whereby Mr. Baron checked himself in to Plano Presbyterian Hospital. Mr. Baron's presence was necessary due to the fact that there were two significant matters which needed his testimony and/or a proffer of his testimony. Mr. Baron's medical emergency and absence were not reported to the Court or the Trustee prior to the 2:30 p.m. hearing. Upon the Court's suggestion, the parties have agreed to facilitate the approval of the Settlement Agreement through two mechanisms set forth in this Order, however the Court requires a verified affidavit from Mr. Baron describing the medical emergency which kept him from the July 22nd hearing with sufficient supporting documentation (as determined by the Court) from Plano Presbyterian Hospital or the doctor who treated him. This affidavit must be filed under seal by Tuesday, July 27, 2010 at 5:00 p.m. central time and also be served on counsel for the Trustee and the Netsphere Parties. This Court has entered a sua sponte seal order with respect to this affidavit.

I. Because Mr. Baron did not attend the hearing on July 22, 2010, he was not able to be present for a proffer related to a resolution reached between Baron and the Netsphere Parties related to the Belton Trust. In order to facilitate approval of the Settlement Agreement, this Court ordered Mr. Baron to submit a verified affidavit as a proffer of his testimony for the additional findings by this Court. Mr. Baron was ordered to file the affidavit, as prepared by counsel for the Netsphere Parties, no later than 5 p.m. central time on Tuesday, July 27, 2010, setting forth his agreement to the resolution reached and providing the testimony for the additional findings read into the record at the July 22nd hearing. Based upon the verified affidavit filed by Mr. Baron stating the following, this Court further finds:

- (1) That Jeffrey Baron is the trustee of the Belton Trust;

(2) That all beneficiaries of the Belton Trust are signing the Settlement Agreement and desire that the Belton Trust be bound by this Settlement Agreement;

(3) That the only asset in which the Belton Trust has any interest of any kind is Domain Jamboree, LLC;

(4) That the only assets in which Domain Jamboree, LLC has any interest of any kind is the domain name domainjamboree.com and its accreditation agreement with ICANN and registry agreement with Verisign, Inc; and

(5) That Jay Kline is the current Manager of Domain Jamboree, LLC and is authorized to sign this Settlement Agreement on behalf of Domain Jamboree, LLC.

J. In order to resolve an outstanding issue regarding the price to be paid by Quantec, LLC and Novo Point, LLC for the renewal of the domain names pursuant to Section 6(c) of the Settlement Agreement which requires the parties to enter into a New Domain Name Registration Agreement, the parties have agreed to allow this Court to determine the price to be paid per domain name pursuant to a motion to be filed by the Trustee and the parties shall be bound by such determination. The Trustee, Quantec, LLC, and Novo Point, LLC have previously agreed to a price of \$8.94 per domain name however that price was not agreed to by Baron. The parties agree to be bound by the price determined by the Court pursuant to a separate motion to be filed by the Trustee and agree to execute the Settlement Agreement by the deadlines set forth in this Order.

NOW, THEREFORE, IT IS HEREBY:

ORDERED that the Motion is GRANTED; it is further

ORDERED that the findings of fact and conclusions of law stated herein shall constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this matter through Bankruptcy Rule 9014. To the extent that any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any

conclusion of law shall be determined to be a finding of fact, it shall be so deemed. It is further,

ORDERED that the Settlement Agreement, including all related agreements, releases, and other actions contemplated therein, are APPROVED. It is further

ORDERED that all parties are directed to execute the Settlement Agreement no later than 5 p.m. central time Wednesday, July 28, 2010, except for Denis Kleinfeld, Jeannie Hudson and their related entities, who must execute this Settlement Agreement no later than by 5 p.m. central time on July 30, 2010. It is further,

ORDERED that Jay Kline shall sign the Settlement Agreement as manager of Domain Jamboree, LLC, however if the parties are unable to locate Mr. Kline, Jeffrey Baron is ordered to sign on behalf of Domain Jamboree, LLC, as the trustee of the Belton Trust which is the sole Member / owner of Domain Jamboree, LLC. Either Mr. Baron or Mr. Kline must execute the Settlement Agreement on behalf of Domain Jamboree, LLC no later than 5 p.m. central time on July 30, 2010. It is further,

ORDERED that the Trustee will file the motion for this Court to determine the price for domain name renewals for the New Domain Name Registration Agreement no later than July 30, 2010. It is further,

ORDERED that the Trustee and all the settling parties are directed to execute the Settlement Agreement by the dates set forth herein and are authorized to take any and all action required to implement the Settlement Agreement, including to make all payments required thereunder and to fulfill all of their respective obligations contemplated under the Settlement Agreement. It is further

ORDERED that this Court shall retain jurisdiction to hear and resolve all matters regarding the Motion, all disputes as provided for in the Settlement Agreement and for the

ORDER GRANTING TRUSTEE'S motion for approval of settlement AGREEMENT pursuant to rule 9019, FEDERAL RULES OF BANKRUPTCY PROCEDURE – Page 6

enforcement and implementation of this Order in connection with such disputes.

END OF ORDER

Submitted by:

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Lee Pannier
Texas Bar No. 24066705
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*ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE*

**ORDER GRANTING TRUSTEE'S motion for approval of settlement AGREEMENT pursuant to rule 9019,
FEDERAL RULES OF BANKRUPTCY PROCEDURE – Page 8**

EXHIBIT 11

MUTUAL SETTLEMENT AND RELEASE AGREEMENT

THIS MUTUAL SETTLEMENT AND RELEASE AGREEMENT ("Agreement"), effective as of the Settlement Date (as defined below), is entered into on July 2, 2010 by and among the following persons and entities:

1. Munish Krishan ("Krishan"), individually and on behalf of all beneficiaries of the MMSK Trust, a trust organized and established under the laws of the Cook Islands (the "MMSK Trust"), Seema Krishan, individually, Mahnik Krishan, individually, Amani Krishan, individually, Manila Industries, Inc., a California corporation ("Manila"), and Netsphere, Inc., a Michigan corporation ("Netsphere") (hereinafter collectively referred to as the "Manila Parties");
2. Jeffrey Baron, individually and as a beneficiary of and on behalf of all beneficiaries of: (i) the Village Trust, a trust organized and established under the laws of the Cook Islands (the "Village Trust"); (ii) Equity Trust Company IRA 19471; (iii) the Daystar Trust (sole member of Ondova); and (iv) the Belton Trust (sole member of Domain Jamboree, LLC); Jeffrey Baron as Trustee of the Daystar Trust, a trust organized and established under the laws of Texas; and Jeffrey Baron, as Trustee of the Belton Trust, a trust organized and established under the laws of Texas (hereinafter collectively referred to as "Baron");
3. Biju Mathew, Amir Asad, Rohit Krishan, Manish Aggarwal, and Amer Zaveri (hereinafter jointly referred to as the "Manila Related Parties");
4. Ondova Limited Company d/b/a Compana, LLC, a Texas limited liability company ("Ondova" or "Debtor"), debtor in Bankruptcy Case No. 09-34784-SGJ-11 (the "Bankruptcy Case") pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court");
5. Daniel J. (Corky) Sherman, Chapter 11 Bankruptcy Trustee of Ondova ("Sherman" or the "Chapter 11 Trustee");
6. HCB, LLC, a Delaware limited liability company, and HCB, LLC, a USVI limited liability company (individually or collectively, "HCB"), Realty Investment Management, LLC, a Delaware limited liability company, Realty Investment Management, LLC, a USVI limited liability company (individually or collectively, "RIM"), Simple Solutions, LLC, a USVI limited liability company ("Simple Solutions"), Search Guide, LLC, a USVI limited liability company ("Search Guide") and Blue Horizon Limited Liability Company, a USVI limited liability company ("Blue Horizon") (hereinafter jointly referred to as the "USVI LLCs");
7. Four Points Management, LLLP, a USVI limited liability limited partnership and sole member of each of the USVI LLCs ("Four Points");
8. Marshden, LLC, a USVI limited liability company and general partner of Four Points ("Marshden");
9. Novo Point, Inc., a USVI corporation ("Novo Point"), Iguana Consulting, Inc., a USVI corporation ("Iguana Consulting"), and Quantec, Inc., a USVI corporation ("Quantec") (hereinafter collectively referred to as the "USVI corporations") (USVI LLCs, Four

Points, Marshden, and USVI corporations hereinafter collectively referred to as the "USVI Entities");

10. Jeanne Hudson ("Hudson"), Denis Kleinfeld ("Kleinfeld"), individually and on behalf of all officers, directors, managers, members and employees of each of the USVI Entities (hereinafter collectively referred to as the "USVI Officers") (USVI Entities and USVI Officers, inclusive of Hudson, are hereinafter collectively referred to as the "USVI Parties");
11. Charla Aldous ("Aldous"), Jeff Rasansky ("Rasansky"), and Ron Sheridan ("Sheridan") (hereinafter collectively referred to as the "Interested Parties");
12. Shiloh, LLC, a Delaware limited liability company ("Shiloh"), the member of which is Quantec LLC and the manager of which is Novquant LLC;
13. Manassas, LLC, a Texas limited liability company ("Manassas");
14. Byron Dean, sole member of Manassas ("Dean");
15. Bud Branstetter, manager of Manassas ("Branstetter");
16. Javelina, LLC, a Delaware limited liability company ("Javelina"), the member of which is Novo Point LLC and the manager of which is Novquant LLC;
17. Diamond Key, LLC, a Texas limited liability company ("Diamond Key");
18. Nina deVassal, sole member and manager of Diamond Key ("deVassal");
19. The Village Trust and Asiatrust Limited as Trustee of the Village Trust, a trust organized and established under the laws of the Cook Islands (hereinafter collectively referred to as the "Trustee of the Village Trust");
20. The MMSK Trust and Asiatrust Limited as Trustee of the MMSK Trust, a trust organized and established under the laws of the Cook Islands (hereinafter collectively referred to as the "Trustee of the MMSK Trust");
21. Iguana Consulting LLC, a Cook Islands limited liability company, Novo Point LLC, a Cook Islands limited liability company, and Quantec LLC, a Cook Islands limited liability company (hereinafter collectively referred to as the "Trust LLCs") (Shiloh, Manassas, Javelina, Diamond Key, the Trust LLCs, Dean, Branstetter, deVassal, Trustee of the Village Trust, and Asiatrust Limited are hereinafter collectively referred to as the "Trusts");
22. Equity Trust Company, a South Dakota trust company, as Custodian of IRA 19471 and as successor in interest of Mid Ohio Securities as Custodian of IRA 19471 ("Equity Trust");
23. Manoj Krishan, individually;
24. CallingCards.com, LLC, a Texas limited liability company ("CC.com");

25. Domain Jamboree, LLC, a Wyoming limited liability company (“DJ”) and the Belton Trust as the sole member of DJ (hereinafter collectively referred to as “Domain Jamboree Parties”); and
26. ID Genesis, LLC, a Utah limited liability company (“ID”) and Netsphere, Inc. as the sole member of ID (hereinafter collectively referred to as “ID Genesis Parties”).

The aforementioned parties may also sometimes be collectively referred to in this Agreement as the “Parties” and each, individually as a “Party”.

**I
RECITALS:**

WHEREAS, on November 14, 2006, Baron and Ondova filed a civil cause in the District Court, Dallas County, Texas, 68th Judicial District, styled, *Ondova Limited Company, et al., vs. Manila Industries, Inc.*, Cause No. 06-11717, in which Baron and Ondova alleged claims more fully described in Plaintiffs’ Petition and First through Sixth Amended Petitions (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Baron Claims” and/or “Texas Case”); and

WHEREAS, on November 15, 2006, Manila, Netsphere and Krishan filed a civil cause against Ondova, RIM, HCB and Baron in the United States District Court for the Central District of California, Southern Division, styled *Manila Industries, Inc, Netsphere, Inc., and Munish Krishan vs. Ondova, Limited Co., d/b/a Compana, LLC*; Realty Investment Management, LLC, HCB, LLC; and Jeffrey Baron, Case No. SACV 06-1105 AG (ANx) (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Manila Claims” and/or “California Case”); and

WHEREAS, on September 27, 2007, Simple Solutions filed a civil cause against Ondova in the District Court of the Virgin Islands, Division of St. Thomas & St. John, styled *Simple Solutions, LLC vs. Ondova Limited Co, LLC d/b/a Compana, LLC*, No. 3:07-CV-123 (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Simple Solutions Claims” and/or “VI Case”); and

WHEREAS, on May 28, 2009, Krishan, Manila and Netsphere filed a civil cause against Ondova and Baron in the United States District Court for the Northern District of Texas, Dallas Division, in which Aldous and Rasansky have intervened and the Trust LLCs have requested leave to intervene, styled, *Netsphere, Inc., et al. vs. Jeffrey Baron, et al.*, Case No. 3:09-CV-0988-F (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “Dallas Federal Case”); and

WHEREAS, on July 27, 2009 Ondova filed for Chapter 11 protection under the Bankruptcy Code (as defined below) in the Bankruptcy Court (the “Petition Date”). Sherman was appointed Chapter 11 Trustee on September 17, 2009; and

WHEREAS, on February 12, 2007, HCB and Simple Solutions filed a civil cause against Oversee.net in the District Court of the Virgin Islands, Division of St. Thomas-St. John, styled *HCB, LC and Simple Solutions, LLC, v. Oversee.net*, Case No. 3:07-CV-00029-CVG (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the “USVI Oversee Lawsuit”); and

EXECUTION VERSION

WHEREAS, on November 6, 2009 Oversee.net filed a claim for breach of contract and fraud against Simple Solutions, LLC, a USVI limited liability company, HCB, LLC, a Delaware Limited Liability Company and Does 1 to 10 in the United States District of California, Case No. CV09-08154-OOW (RZx) ("Cal. Oversee Suit"); and

WHEREAS, on November 12, 2009, Manila and Netsphere filed a civil cause against Oversee.net and Doe 1 through Doe 10 in the Superior Court of the State of California, styled *Manila Industries, Inc. a California corporation; Netsphere, Inc., a Michigan corporation vs. Oversee.net, a California corporation; and DOE 1 through DOE 10, inclusive*, Case No. BC425821 (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the "Manila Oversee Lawsuit"); and

WHEREAS, on November 2, 2008, Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron as Beneficiary of Equity Trust Company FBO IRA 19471 filed a civil case in the 68th Judicial District, Dallas County, Texas, against Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan, styled *Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471 and Jeffrey Baron As Beneficiary of Equity Trust Company FBO IRA 19471 vs. Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan*, Cause No. DC08-13925-C (which claims are incorporated herein by reference for all purposes and are collectively referred to herein as the "Phonecards.com Case") (the Texas Case, California Case, VI Case, Dallas Federal Case and Phonecards.com Case are collectively referred to herein as the "Underlying Cases"); and

WHEREAS, all Parties generally and/or specifically have denied the allegations made against them and asserted various defenses and other matters as described more fully in their responsive pleadings, all of which are incorporated by reference for all purposes into this Agreement; and

WHEREAS, the Parties to this Agreement desire to avoid the necessity, expense, inconvenience and uncertainty of further litigation and fully and finally resolve all matters by and among them and all known and unknown claims, counterclaims and cross-claims that have, or could have been, plead in the past by any of the Parties hereto, arising out of, or in any way related to, the cases, lawsuits and disputes among them; and

WHEREAS, it is the desire of the Parties to separate any and all business by, between and among themselves;

NOW, THEREFORE, for and in consideration of the above recitals, which recitals are contractual in nature, the mutual promises, mutual general releases and agreements herein contained, and for other good and valuable consideration, the receipt of which are hereby acknowledged, the Parties hereto do hereby covenant, agree and contract as follows:

II
AGREEMENTS:

1. **Payment of Cash.** In consideration of the provisions of this Agreement, including, without limitation, the Recitals and general releases, at the direction of the Village Trust, Manila will deliver One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) by wire transfer to the Chapter 11 Trustee (the "Cash Payment"), which delivery shall be made on behalf of the Village Trust in accordance with the wire instructions provided by Raymond J. Urbanik to John MacPete by email dated June 7, 2010, as may be updated with written notice from the Chapter 11 Trustee to Netsphere at least thirty (30) days prior to any date on which payment is due (the "Cash Payment Instructions"), on the later of: (i) the date which is thirty (30) days after the Settlement Date or ninety (90) days after a 9019 motion is filed with the Bankruptcy Court to approve this Agreement (such applicable date, the "Transfer Date"). The Chapter 11 Trustee will use the Cash Payment and the Deferred Payment (as defined below) to pay creditors, administrative costs and any and all other expenses associated with Ondova's bankruptcy estate (the "Estate").

2. **Deferred Payment and Unsecured Claim.**
 - A. Manila hereby promises to pay the Village Trust the sum of Six Hundred Thousand Dollars (\$600,000) ("Deferred Payment"), together with simple interest thereon calculated as provided in this subsection A. The following provisions are applicable to the Deferred Payment:
 - (i) The Deferred Payment and interest thereon is due and payable in full on or before the second anniversary of the Transfer Date (such date, the "Maturity Date").
 - (ii) Noncompounding simple interest shall accrue at the rate of ten percent (10%) per annum (computed on the basis of a three hundred sixty-five (365) day year and the actual number of days elapsed in a year) on the unpaid principal amount of the Deferred Payment outstanding from time to time, or (if less) the highest rate then permitted under Texas law. Any accrued interest which for any reason has not theretofore been paid shall be paid in full on the Maturity Date.
 - (iii) Manila may, at any time and from time to time without premium or penalty, prepay all or a portion (in whole number multiples of \$1,000 only) of the outstanding principal amount (and any accrued and unpaid interest thereon) of the Deferred Payment.
 - (iv) Payments made by Manila shall be applied (a) first, to the payment of all accrued and unpaid interest, (b) second, to the payment of principal of the Deferred Payment), and (c) the balance, if any, to Manila.
 - (v) Interest payable on the outstanding principal balance of the Deferred Payment starts as of the first day of the fourth (4th) full calendar month after the Transfer Date (the "Payment Commencement Date") and shall be paid on a quarterly basis, commencing on the Payment Commencement Date (and the first quarterly payment will be for the period between the Transfer Date and the day immediately preceding the Payment Commencement Date), and continuing on the first day of each quarter thereafter until the Maturity Date, at which time all outstanding principal and interest shall be due and payable in full.

- (vi) Manila's obligations to pay the Deferred Payment to the Village Trust shall be secured by a pledge of the domain name *FreeSex.com* pursuant to the Security Agreement (as defined below).
 - (vii) All payments to be made pursuant to the provisions of this Section 2 by Manila to the Village Trust shall be made in the lawful money of the United States of America in immediately available U.S. funds by wire transfer in accordance with the wire instructions provided by Craig Capua to John MacPete by email dated June 7, 2010, and as may be updated with written notice from the Village Trust to Manila at least thirty (30) days prior to any date on which payment is due. Furthermore, the Village Trust may direct Manila to pay Equity Trust, which payments shall be made on behalf of the Village Trust, pursuant to an agreement between Equity Trust and the Village Trust; provided, the Village Trust must provide Manila at least thirty (30) days prior written notice of the wiring instructions for such payment to Equity Trust.
- B. On the Transfer Date, Manila will execute and deliver to the Village Trust a security agreement (the "Security Agreement") in the exact form attached hereto as Exhibit A.
- C. The Chapter 11 Trustee hereby grants Aldous and Rasansky (hereinafter collectively referred to as the "Rasansky Parties") a general unsecured claim in the amount of Two Hundred Thousand Dollars (\$200,000) against the Estate. In the event the Rasansky unsecured claim is not paid in full by the Estate, within thirty (30) days of a written request from the Rasansky Parties, Jeffrey Baron agrees to pay the Rasansky Parties an amount equal to the difference between Two Hundred Thousand Dollars (\$200,000) and the actual amount paid on the unsecured claim by the Estate (and, if requested by Jeffrey Baron, the Village Trust agrees to make a distribution to Jeffrey Baron for such purpose).

3. Split of Disputed Domain Names.

- A. Each of the Manila Parties represent and warrant to Baron, the Trusts, the Chapter 11 Trustee and Ondova that the Even Group Portfolio of domain names (as defined in Paragraph 3 of the June 26, 2009, Preliminary Injunction in the Dallas Federal Case [Preliminary Injunction]) and the domain names in the Restore List (as defined in Paragraph 5(e) of the Preliminary Injunction) collectively represent the accurate list of domain names referred to herein as the "Even Group Portfolio."
- B. Each of Baron, the Trusts, the Chapter 11 Trustee and Ondova represent and warrant to the Manila Parties that the Odd Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Allocated Names List (as defined in Paragraph 5(d) of the Preliminary Injunction) that have not expired, been deleted, or been transferred to an unrelated third party by the Manila Parties, as of the Transfer Date (the "Remaining Allocated Names") collectively represent the accurate list of domain names referred to herein as the "Odd Group Portfolio".
- C. As of the Settlement Date, each of the Manila Parties (except for Manila), the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Even Group Portfolio Quitclaiming Parties") quitclaim any interest in the Even Group Portfolio to Manila, and make an express quitclaim to Manila and disavow all rights of every kind, nature and description, if any, they may have, or ever

had, in and to all rights related to the Even Group Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after the Settlement Date from the domain names and related rights in the Even Group Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Even Group Portfolio are irrevocable.

- D. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Quantec LLC), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the “Odd Group Portfolio Quitclaiming Parties”) quitclaim any interest in the Odd Group Portfolio to Quantec LLC, and make an express quitclaim to Quantec LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the Odd Group Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after the Settlement Date from domain names and related rights in the Odd Group Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Odd Group Portfolio are irrevocable. Further, on or before the Transfer Date, Manila shall (i) provide a list of Remaining Allocated Names to the Village Trust and Jeffrey Baron through their attorneys, Craig Capua at craig.c@WestLLP.com and Gerrit Pronske at gpronske@pronskepatel.com, (ii) e-mail Gay Nee (gaynee@webnic.cc) with the list of Remaining Allocated Names, and (iii) request Gay Nee to update the Whois information for the Remaining Allocated Names with the following contact information:

Whois Identity Shield

Post Office Box 152

Britton’s Hill

St. Michael, Barbados

Phone: (604) 484-4206

E-mail:

8cGRuPjmxwuKTbEIXkcvOzHx+nKvplNduvKTpOpDGTDCITozwGM=@2010.identityshield.com

The Manila Parties are not required to incur any out-of-pocket expenses in connection with any transfer of the Remaining Allocated Names to Quantec LLC.

Fifteen (15) days after the Transfer Date shall be referred to as the “Transfer Implementation Period.” Quantec LLC will pay funds sufficient to the registrar for the purposes of transferring and renewing the Remaining Allocated Names. Ondova, or other registrar appointed by Quantec LLC, agrees to insure that the Remaining Allocated Names will be transferred to the registrar during the Transfer Implementation Period and implement such transfer.

- E. From and after the Settlement Date, the Estate shall continue to own the domain name *servers.com*, which domain name shall, if necessary, be liquidated, pursuant to Section 363(b) of the Bankruptcy Code (as defined below) or pursuant to a plan, to fund costs of administration of the Bankruptcy Case and amounts needed with respect to a plan of reorganization or liquidation, if feasible, with respect to Ondova (the “Ondova Plan”). Additionally, it is expressly understood and agreed by the Parties that at no time prior to the Settlement Date does the Chapter 11 Trustee waive any claim of ownership or

otherwise to other domain names in the Odd Group Portfolio, the Blue Horizon Portfolio and the Excluded Disputed Domains (as defined below). As used herein, "Excluded Disputed Domains" means the list of twelve (12) domain names identified in an e-mail from Raymond J. Urbanik to Gerrit Pronske on June 2, 2010.

4. **Blue Horizon Names.** As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Novo Point LLC), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Blue Horizon Quitclaiming Parties") quitclaim any interest in any and all domain names that previously were registered through Ondova, exclusive of the Even Group Portfolio, the Odd Group Portfolio and any domain name not registered through or at Ondova as of February 22, 2010, and exclusive of *pokerstar.com* (which is addressed in Section 6 below), *servers.com* and the Excluded Disputed Domains (the "Blue Horizon Portfolio"), to Novo Point LLC and make an express quitclaim to Novo Point LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the Blue Horizon Portfolio, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any and all income that may be derived from and after the Settlement Date from domain names and related rights in the Blue Horizon Portfolio. All rights granted, if any, and the related abandonment of claims and interests in the Blue Horizon Portfolio are irrevocable.
5. **Searchguide.com.** As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for Novo Point LLC), the Chapter 11 Trustee and Ondova (the "SearchGuide.com Quitclaiming Parties") quitclaim any interest in the domain name *searchguide.com* to Novo Point LLC and make an express quitclaim to Novo Point LLC, and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the domain name *searchguide.com*, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from *searchguide.com* from and after the Settlement Date; provided, such quitclaim is strictly limited to the domain name itself and excludes: (i) any website that appeared on *searchguide.com*, (ii) any software associated with *searchguide.com*, and (iii) any other content or intellectual property related to *searchguide.com* (collectively "Searchguide Software"). All rights granted, if any, and the related abandonment of claims and interests in the domain name *searchguide.com* are irrevocable.
6. **Pokerstar.com.**
 - A. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts (except for the Village Trust), the Chapter 11 Trustee, Ondova and each other Party to this Agreement (the "Pokerstar.com Quitclaiming Parties") quitclaim any interest in the domain name *pokerstar.com* to the Village Trust, and make an express quitclaim to the Village Trust and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to the domain name *pokerstar.com*, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from *pokerstar.com* from and after the Settlement Date, provided, such quitclaim is strictly limited to the domain name itself and excludes: (i) any website that appeared on *pokerstar.com* developed in whole or in part by the Manila Parties or the Manila Related Parties; (ii) any software associated with *pokerstar.com* developed in whole or in part by

the Manila Parties or the Manila Related Parties; and (iii) any other content or intellectual property related to *pokerstar.com* developed in whole or in part by the Manila Parties or the Manila Related Parties (collectively "Pokerstar Software"). All rights granted, if any, and the related abandonment of claims and interests in the domain name *pokerstar.com* are irrevocable.

- B. As consideration for, and contemporaneously with execution of this Agreement, Manila and the Village Trust shall enter into a license agreement for *pokerstar.com* (the "License Agreement") in the exact form attached as Exhibit B. Within five (5) business days after the Settlement Date, Netsphere shall remit in escrow to the Chapter 11 Trustee fifty percent (50%) of the gross revenue actually received by Netsphere for operation of *pokerstar.com* ("Old Pokerstar Revenue") during the period commencing April 1, 2009, and ending June 30, 2010, such remittance to be made by wire transfer in accordance with the Cash Payment Instructions. Commencing on the date which is thirty (30) days after the Settlement Date, and continuing on the same day of each month thereafter until the Transfer Date, Netsphere shall remit in escrow to the Chapter 11 Trustee fifty percent (50%) of the gross revenue actually received by Netsphere for operation of the *pokerstar.com* website (the "Additional Pokerstar Revenue" and, together with the Old Pokerstar Revenue, the "Combined Pokerstar Revenue"), such remittance to be made by wire transfer in accordance with the Cash Payment Instructions (with the first such payment covering the period July 1, 2010, through the Transfer Date). The Chapter 11 Trustee agrees to hold the Combined Pokerstar Revenue in escrow until the earlier of, as applicable: (i) the date of the Settlement Date, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to the Village Trust in accordance with the wire instructions provided by Craig Capua to Raymond J. Urbanik by email dated June 7, 2010, as may be updated with written notice from the Village Trust to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (ii) the date the Bankruptcy Court fails to approve the Final Settlement Order, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to Netsphere within three (3) days of such disapproval in accordance with the wire instructions provided by Ravi Puri to Raymond J. Urbanik by email dated June 7, 2010, as may be updated with written notice from Netsphere to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (the "Pokerstar Payment Instructions") or (iii) the fourth (4th) day after the date the Chapter 11 Trustee receives written notice from Netsphere that any of the Parties failed to perform any of the material provisions of this Agreement, identified with specificity, in the event such failure is not cured within three (3) days after the date of such notice, in which event the Chapter 11 Trustee shall pay the Combined Pokerstar Revenue to Netsphere in accordance with the Pokerstar Payment Instructions. Notwithstanding the foregoing, such return of the Combined Pokerstar Revenue shall not operate to recharacterize the legal ownership of the funds nor be a waiver by any Party of any claim to such funds.
- C. The Village Trust hereby agrees to pay the Chapter 11 Trustee Four Hundred Fifty Thousand Dollars (\$450,000) (the "Additional Payment"). The Additional Payment shall be paid to the Chapter 11 Trustee by the Village Trust in the following manner: (i) One Hundred Twenty-Five Thousand Dollars (\$125,000) (the "Lump Sum Payment") shall be paid to the Chapter 11 Trustee within ten (10) business days after the Settlement Date (the "Additional Lump Sum Payment Due Date") in accordance with the wire instructions provided by Raymond J. Urbanik to Craig Capua by email dated June 7, 2010, as may be updated with written notice from the Village Trust to the Chapter 11 Trustee at least thirty (30) days prior to any date on which payment is due (the "Lump Sum Payment")

Instructions"); (ii) One Hundred Thousand Dollars (\$100,000) (together with the Monthly Installments defined below, the "Monthly Payments") shall be paid to the Chapter 11 Trustee promptly after execution of this Agreement, such funds to be used by the Chapter 11 Trustee to pay outstanding invoices due VeriSign by the Estate; and (iii) thirty (30) days after the Additional Lump Sum Payment Due Date (and continuing on the same day of each month thereafter until the Additional Payment has been paid in full) (each a "Monthly Installment"), Fifty Thousand Dollars (\$50,000) shall be paid to the Chapter 11 Trustee as follows: (a) up to Eighteen Thousand Dollars (\$18,000) per month paid by Netsphere directly to the Chapter 11 Trustee from the revenue of Pokerstar if sufficient funds are available from fifty (50%) of the revenue owed to the Village Trust as generated by *pokerstar.com* during the particular month the payment is due; and (b) Thirty-Two Thousand Dollars (\$32,000) per month from the Trusts directly to the Chapter 11 Trustee from domain name monetization of the Blue Horizon Portfolio and the Odd Group Portfolio (collectively, the "Portfolios") for a total of three months (plus \$12,000 for the fourth month). With respect to the Monthly Installments being paid by the Trusts from the domain name monetization of the Portfolios, each Monthly Installment shall be considered an advance made to the Trustee for payment of administrative costs of the Estate and payment of creditor claims. In the event there are surplus funds from such advances available in the Estate after the payment of administrative costs and an eighty percent (80%) distribution to general unsecured creditors of Ondova pursuant to a Plan of Reorganization, the Chapter 11 Trustee shall return to the Trusts an amount equal to the surplusage. In no other instance shall the Chapter 11 Trustee have any obligation to return any of such advances. To secure the obligation of the Village Trust to the Chapter 11 Trustee with respect to the Additional Payment, on the Settlement Date, (x) the Village Trust shall:

- (i) grant the Chapter 11 Trustee a first lien security interest in the domain name *pokerstar.com*, which is subordinate to the License Agreement attached as Exhibit B and which security interest shall be evidenced by a security agreement (the "Pokerstar Security Agreement") in the exact form attached hereto as Exhibit C; (y) the Village Trust and the Chapter 11 Trustee will each execute three (3) partially executed originals of an escrow agreement in the exact form attached hereto as Exhibit D (the "Pokerstar Escrow Agreement"), which escrow agreement shall name and be delivered to Gracy Title Company, 100 Congress Avenue, Suite 100, Austin, Texas 78701 (Attn: Elizabeth Young) as "Escrow Agent" for the purposes of holding and dealing with the assignment of the domain name *pokerstar.com*; and (b) in connection with the Pokerstar Escrow Agreement, the Village Trust shall execute and deliver an original of an assignment (the "Pokerstar Assignment"), which shall be in the exact form attached hereto as Exhibit E;
- (ii) execute and deliver to the Chapter 11 Trustee prior to the Settlement Date a new domain registration agreement with Ondova for each of the Portfolios (each a "New Domain Name Registration Agreement") which, until the three payments of Thirty-Two Thousand Dollars (\$32,000) and one payment of Eighteen Thousand Dollars (\$18,000) have been made, (v) is non-cancelable without the prior written consent of the Chapter 11 Trustee (which consent may be withheld, conditioned or delayed in the sole discretion of the Chapter 11 Trustee), (w) confirms the Revenue Lien (as defined below), (x) confirms the Chapter 11 Trustee's right upon an Uncured Event of Default (as defined below) to receive the revenue generated from monetization of the domain names in the Blue Horizon Portfolio,

- (y) confirms the Chapter 11 Trustee's right upon an Uncured Event of Default to file the Agreed Order, and (z) provides that, except for the Disposed Names (as defined below) and Released Names (as defined below), none of the names in the Blue Horizon Portfolio shall be transferred, canceled or otherwise disposed of without the prior written consent of the Chapter 11 Trustee (which consent may be withheld, conditioned or delayed in the sole discretion of the Chapter 11 Trustee); and
- (iii) grant the Chapter 11 Trustee a first lien security interest in the revenues generated from monetization of the domain names in the Blue Horizon Portfolio (the "Revenue Lien"), which lien and security interest shall be evidenced by a security agreement (the "Blue Horizon Security Agreement") in the exact form attached hereto as Exhibit F.

In addition to the above, (i) the Trusts, Baron and each Party hereto which in any way has control or ownership in the Blue Horizon Portfolio agree to execute an Agreed Order in the form attached hereto as Exhibit G providing that, upon an uncured payment default with respect to the Additional Payment, it directs each business used to monetize the domain names in the Blue Horizon Portfolio to pay all monetization revenue earned thereon directly to the Chapter 11 Trustee; and (ii) (in the event of default) the Trusts agree to provide monthly reports to the Trustee which state the name of the registrar and monetization company for the names in the Blue Horizon Portfolio, and the failure to do, or the report of an unauthorized registrar or monetization company, shall constitute a material default in payment of the Additional Payment.

The Village Trust further agrees that, from and after the Settlement Date, the domain name *pokerstar.com* will not be transferred, re-registered or otherwise conveyed without the prior written consent of the Chapter 11 Trustee and, in such regard, the Trustee of the Village Trust agrees to reasonably cooperate with the registrar of such name and counsel for the Chapter 11 Trustee to insure compliance with such agreement.

As used above, (i) "Uncured Event of Default" means a breach of any covenant or agreement by Village Trust pursuant to this Section 6 or a New Domain Name Registration Agreement which is not cured within fifteen (15) days of the date of the Chapter 11 Trustee's notice thereof; (ii) "Default Notice" means a written notice delivered by the Chapter 11 Trustee which states that an Uncured Event of Default exists and directs payment of the revenue from the Blue Horizon Portfolio to be made to the Chapter 11 Trustee; (iii) "Disposed Names" means names in the Blue Horizon Portfolio which are reasonably determined by the Village Trust, and agreed in writing by the Chapter 11 Trustee, to be of nominal value and/or, based on intellectual property claims or potential intellectual property claims, to present significant or potentially significant liability to the owner thereof and, therefore, allowed to lapse; and (iv) "Released Names" means specific names in the Blue Horizon Portfolio which are released in writing by the Chapter 11 Trustee following written request of the Village Trust; provided, releases shall not be made if there exists an Uncured Event of Default, each release request shall be signed by the Village Trust and specify the name(s) requested to be released, and at no time shall the remaining value of the names in the Blue Horizon Portfolio be less than an amount equal to one hundred fifty percent (150%) multiplied by a sum equal to the then-outstanding unpaid Lump Sum Payment Monthly Installments. In the event that the Trustee does not object to the release of the names upon 3 business days written notice such release shall be deemed to have been approved.

7. Domainjamboree.com and IDGenesis.com.

- A. As of the Settlement Date, each of the Manila Parties, the Manila Related Parties, the Trustee of the MMSK Trust, Baron (except for the Belton Trust), the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee and Ondova (the "Domain Jamboree Quitclaiming Parties") quitclaim any interest to the domain name *domainjamboree.com* and the ICANN Accredited registrar, Domain Jamboree, LLC (collectively "Domain Jamboree") to the Belton Trust and make an express quitclaim to the Belton Trust and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to Domain Jamboree, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from Domain Jamboree from and after the Settlement Date; provided, such excludes: (i) any website that appeared on *domainjamboree.com*, (ii) any software associated with *domainjamboree.com*, and (iii) any other content or intellectual property related to Domain Jamboree, (collectively "Domain Jamboree Software"). All rights granted, if any, and the related abandonment of claims and interests in Domain Jamboree are irrevocable.
- B. As of the Settlement Date, each of the Manila Parties (except for Netsphere), the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the USVI Parties, the Trusts, the Chapter 11 Trustee and Ondova (the "ID Genesis Quitclaiming Parties") quitclaim any interest to the domain name *idgenesis.com* and the ICANN Accredited registrar ID Genesis, LLC, (collectively "ID Genesis") to Netsphere, and make an express quitclaim to Netsphere and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all rights related to ID Genesis, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived by ID Genesis from and after the Settlement Date. All rights granted, if any, and related abandonment of claims and interests in ID Genesis shall be irrevocable.

8. Oversee Lawsuit.

- A. As of the Settlement Date, each of the USVI Parties on behalf of themselves and their legal and beneficial owners (the "Oversee Lawsuit Assignors") hereby quitclaim all rights, title and interest which may be held by the Oversee Lawsuit Assignors in the claims and causes of action that are or could be asserted by the USVI Parties in the USVI Oversee Lawsuit to Manila, and make an express quitclaim to Manila and disavow all rights of every kind, nature and description, if any, they may have, or ever had, in and to all proceeds derived from the USVI Oversee Lawsuit, including, without limitation, any proceeds collected from a settlement or a judgment in the USVI Oversee Lawsuit. All rights granted by the USVI Parties, if any, and related abandonment of claims and interests in the USVI Oversee Lawsuit shall be irrevocable.

The Oversee Lawsuit Assignors represent that no other Party has any interest in the USVI Oversee Lawsuit. If any of the Manila Parties acquire an interest in Oversee's claims against Ondova, Baron or the Trusts, the Manila Parties and any of their assignees are estopped from prosecuting such claims from and after the Settlement Date and such claims are forever waived.

Any proceeds derived from any counterclaims, rights of set-off, recoupment, remedies, rights or defenses asserted by the Oversee Lawsuit Assignors in any case against Oversee

which are based upon the same subject matter as the affirmative claims and/or causes of action of the Overseas Lawsuit Assignors in the USVI Overseas Lawsuit are hereby quitclaimed and assigned by the Overseas Lawsuit Assignors to Manila.

- B. The Overseas Lawsuit Assignors agree that the USVI Overseas Lawsuit will be prosecuted by the Overseas Lawsuit Assignors at the direction of Manila; provided, such agreement does not constitute an assumption by Manila of any liability of the Overseas Lawsuit Assignors and the Overseas Lawsuit Assignors remain liable for any cause(s) of action or claim(s) that have been or may be brought by Overseas.

Furthermore, each Party, excluding Manila, the Estate and the Chapter 11 Trustee, but including Ondova, from and after the date of confirmation of the Ondova Plan if a Plan is filed and confirmed by the Bankruptcy Court (the "Confirmation Date"), agrees that if Overseas grants it a general release for any and all claims Overseas has against it related to the monetization of the Blue Horizon Portfolio and/or the Even Portfolio and/or the Odd Portfolio domain names by Overseas, such Party shall give a reciprocal general release of any and all claims it has against Overseas related to the monetization of the Blue Horizon Portfolio and/or the Even Portfolio and/or the Odd Portfolio domain names by Overseas.

Notwithstanding the foregoing, each and every Party (except for the USVI Parties) specifically retains any and all of its own: (i) defenses, (ii) rights, (iii) remedies, (iv) counterclaims, (v) rights of setoff, and (vi) recoupment which it may have in the event it is in the future added as a party to any of the lawsuits involving Overseas or Overseas's assignee(s). Subject to Section 8.A. above, the USVI Parties specifically retain any and all of their own: (a) defenses, (b) rights, (c) remedies, (d) counterclaims, (e) rights of setoff, and (f) recoupment which they may have against Overseas or any Overseas assignee.

9. **USVI Entities.** As of the Settlement Date, each of the Manila Parties, in partial consideration for this Agreement, the Manila Related Parties, the Trustee of the MMSK Trust, Baron, the Interested Parties, the Trusts, the Chapter 11 Trustee, the USVI Parties and Ondova agree that:

- A. All capital accounts, other accounts, interest in, distributive shares of, and liquidations shares of USVI corporations, in or of Four Points are deemed by all Parties to stand at Zero Dollars (\$0.00), and all interest in, distributive shares of, and liquidations interests of USVI corporations in Four Points are deemed by all Parties to be equal to zero percent (0%);
- B. In consideration of this Agreement, (i) each USVI corporation has, previously and as of the Settlement Date, no interest in Four Points, (ii) any interest in Four Points owned by a USVI corporation is hereby renounced, and (iii) each USVI corporation is discharged, withdrawn and terminated as a limited partner, partner, associate or affiliate in or with Four Points;
- C. All present and past officers, directors, employees, agents and representatives of each of USVI corporations are deemed to have, and are hereby, resigned and discharged from their respective positions, roles and capacities; and
- D. All Parties to this Agreement (except the USVI Parties) quitclaim any and all interests in or to Four Points and all USVI LLCs to Four Points.

10. **Abatement and Dismissal of Existing Cases.** The Parties acknowledge that the California Case is closed in that the dismissal was appealed but affirmed on June 3, 2009, by the appellate court via *Manila Industries Inc., et al. v. Ondova Limited Co. d/b/a Compana LLC, et al.*, No. 07-55232 (9th Cir. Ct. of Appeals), and any claims brought pursuant to such case are released pursuant to this Agreement and the terms herein. In such regard, each of the Parties agrees, within two (2) business days after the Transfer Date, to execute and deliver to Munsch Hardt Kopf & Harr, P.C., in escrow for filing, and it shall promptly file, Agreed Orders of Dismissal and/or Joint Stipulations of Dismissal with Prejudice in the Texas Case, VI Case, Phonecards.com Case and Dallas Federal Case in the exact form attached hereto as **Exhibits H, I, J and K**, respectively.

11. **Bankruptcy Court Approval.** This Agreement, and its validity, (i) is subject to the Bankruptcy Court's entry of the Final Settlement Order pursuant to Federal Rule of Bankruptcy Procedure 9019, and each of the Parties agrees to cooperate in obtaining the same through a motion seeking such approval; (ii) is subject to the delivery of the Cash Payment to the Chapter 11 Trustee on or before the Transfer Date (herein "Funding"); and (iii) notwithstanding anything to the contrary herein, shall not be binding on any of the Parties until the date of the Final Settlement Order and Funding. As used herein:

A. "**Final Settlement Order**" shall mean an order approving this Agreement: (1) as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired, and as to which no appeal, petition for certiorari, stay or other proceeding for reargument or rehearing has been sought or ordered; (2) as to which a timely appeal, petition for certiorari, stay, reargument or rehearing thereof has been sought, but such request resulted in one of the following: (a) the request has been withdrawn, (b) the relief requested has been denied, or (c) the Bankruptcy Court's order shall have been otherwise affirmed by the highest court to which such order was appealed, or from which reargument or rehearing was sought, and no further timely request for appeal, reargument or rehearing may be made; or (3) which the Parties unanimously agree in writing, each in their own discretion, to rely upon following the Bankruptcy Court's entry of the order in question, notwithstanding any timely appeal, petition for certiorari, stay, reargument or rehearing sought with respect to such order by any third party.

B. "**Settlement Date**" shall mean the day after the date on which the Bankruptcy Court's order approving this Agreement becomes a Final Settlement Order.

C. **Effectiveness.** For avoidance of doubt, nothing whatsoever contained in this Agreement shall be binding on the Parties prior to the receipt by the Chapter 11 Trustee of the Cash Payment from Manila; and any provisions of this Agreement which are effective or occur prior to receipt of the Cash Payment are null and void if the Cash Payment is not received by the Chapter 11 Trustee.

12. **Intellectual Property.**

A. The following shall be referred to as the "**Netsphere Software**": (a) domain names registered by Netsphere and/or Krishan and/or their privacy service that are not currently registered via Ondova, excluding the Remaining Allocated Names; (b) any search engine software developed in whole or in part by any of the Manila Parties or Manila Related Parties (hereinafter collectively referred to as the "**Netsphere Parties**"), including, but not limited to, the website, content and search engine software developed for *searchguide.com*, (herein, the "**Search Engine Software**"), (c) any software used to identify domain names to register developed in whole or in part by any of the Netsphere Parties (the "**Registration**

Software”); (d) any trademark filtering software developed in whole or in part by any of the Netsphere Parties (the “Filtering Software”); (e) any monetization/domain name parking software developed in whole or in part by any of the Netsphere Parties; (f) the content of any and all websites developed in whole or in part by any of the Netsphere Parties, including, but not limited to, Searchguide Software, Pokerstar Software, and Domain Jamboree Software; and (g) all intellectual property developed in whole or in part by any of the Netsphere Parties. Any software developed in whole or in part by the Netsphere Parties belongs to Netsphere and is freely transferable by Netsphere. It is explicitly agreed that any trademark filtering software or code developed in whole or in part by any of the Netsphere Parties; any registration software or code developed in whole or in part by any of the Netsphere Parties; any search engine software or code developed in whole or in part by any of the Netsphere Parties; and any monetization software or code developed in whole or in part by any of the Netsphere Parties that is in any of the Netsphere Parties’ possession belongs to Netsphere and is freely transferable by Netsphere.

- B. Except as expressly provided in this Section 12, effective as of the Settlement Date, each of the Parties, including, but not limited to, the Netsphere Parties (except for Netsphere), the Trustee of the MMSK Trust, the USVI Parties, the Interested Parties, the Trusts, the Chapter 11 Trustee, Baron and Ondova (the “Netsphere Software Quitclaiming Parties”) hereby assigns, transfers, and sets over all of its rights, title and interest in the Netsphere Software, expressly quitclaims to Netsphere, and disavows all rights of every kind, nature and description, if any, they may have, or ever had, in and to the Netsphere Software and all rights related thereto, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and the income that may be derived from and after the Settlement Date with respect to the Netsphere Software. All rights granted, if any, and all related abandonment of claims and interests in Netsphere Software are irrevocable.
- C. Each of Baron, Ondova, the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties represent, warrant and agree to each other that Baron, Ondova and the Estate do not have any software or code in their possession that was developed in whole or in part by the Netsphere Parties. Each of Baron, Ondova and the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties further represent, warrant and agree to each other that the Netsphere Parties do not have any software or code developed solely by Baron, Ondova or the Estate. Each of Baron, Ondova and the Estate (provided, with respect to the Estate, such representation and warranty is limited to the actual knowledge of the Chapter 11 Trustee and people working for the Estate at the direction of the Chapter 11 Trustee) and the Netsphere Parties represent and warrant to each other that: (i) DP Communications has not utilized any software or code from Baron or Ondova in connection with any software development or other work DP Communications did for the Netsphere Parties and has not transferred any software or code from Baron or Ondova to the Netsphere Parties; and (ii) DP Communications has not utilized any software or code from the Netsphere Parties in connection with any software development or other work DP Communications did for Baron or Ondova and has not transferred any software or code from the Netsphere Parties to Baron or Ondova.

- D. Based upon the foregoing representations in Section 12.C., the Netsphere Parties agree that anything in Ondova or Baron's possession is owned by Baron and is freely transferable by Baron. Further, the Netsphere Parties explicitly agree that any software or code previously or currently used by Ondova in connection with the registration of domain names, including, but not limited to, (i) any software or code used to fulfill the registrar's obligations under paragraph 3 of the ICANN Registrar Accreditation Agreement, as may be amended from time to time (currently located at: <http://www.icann.org/en/registrars/ra-agreement-21may09-en.htm>), (ii) any software or code necessary to interact with a domain name registry (which may include the acceptance or refund of a fee for the registration, transfer or renewal of a domain name); (iii) any software or code to provide access to an administrator or domain name registrant to update the WHOIS information, nameserver information and/or IP address information for a domain name; (iv) drop-catching software or code; (v) software or code used to identify domain names to register; and (vi) software or code that performs a search function on an internal registrar database; and explicitly excluding any (a) monetization software; (b) search engine-related software; (c) trademark filtering software; and (d) domain parking or pay-per-click software (said exclusions do not invalidate the explicit inclusions in (i)-(vi) and said inclusions will control over the exclusions in the event of conflict between said inclusions and exclusions), is Baron's and is freely transferable by Baron. Any software solely developed by Baron and/or Ondova is freely transferable by such Party, excluding any software that was developed in part by Netsphere.
- E. As of the Settlement Date, each of Baron, Ondova, and the Estate hereby assigns, transfers and sets over all of his or its rights, title and interest in any software or code solely developed by Baron and/or Ondova that is in the Netsphere Parties' possession (the "Netsphere Additional Software"), expressly quitclaims to Netsphere and disavows all rights of every kind, nature and description, if any, he or it may have, or ever had, in and to the Netsphere Additional Software and all rights related thereto, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill and the income that may be derived from and after the Settlement Date with respect to the Netsphere Additional Software. All rights granted, if any, and all related abandonment of claims and interests in Netsphere Additional Software are irrevocable.
- F. As of the Settlement Date, Netsphere grants to Jeffrey Baron, Ondova and the Trust LLCs a non-exclusive, non-transferable, royalty-free, worldwide license (the "Baron License") to use and reproduce the Netsphere Software and make derivative works based on the Netsphere Software that, as of the Settlement Date, is lawfully in Ondova or Baron's possession and has not been obtained by any fraudulent or illegal means, in violation of any state's or federal law, or by hacking into or otherwise illegally accessing Netsphere's servers or computers without Netsphere's express permission, as determined by a court of competent jurisdiction by a final order; provided, the Baron License excludes any right to distribute, sell, rent, lease and/or license or sublicense the Netsphere Software and/or derivative works based on the Netsphere Software for a period of thirty-one and one-half (31.5) months commencing on the Settlement Date. Upon expiration of the thirty-one and one-half (31.5) month period, the foregoing license in this Section 12.F. becomes freely transferable in whole or in part and shall then include the right to distribute copies. The foregoing license in this Section 12.F. may be extended at Baron's option to up to six (6) to-be-formed entities for Jeffrey Baron provided that Netsphere receives prior written notice of any such prospective extension of

the license along with a confirmation in writing under oath from Jeffrey Baron that the ownership of the new licensee comports with the ownership requirements of this Section 12.F, and, with respect to three (3) of such entities, the name and place of formation of such entities to receive the license, provided that the ownership of such entities shall be either: (i) wholly owned by Jeffrey Baron; (ii) owned directly through one or more wholly owned subsidiaries of (a) an entity wholly owned by Jeffrey Baron or a trust of which any of the Trusts, Ondova, Jeffrey Baron or a third party (who has no direct or indirect, legal or beneficial, interest whatsoever in Baron or any entity or trust of which Baron has any direct or indirect, legal or beneficial, interest of any kind) are the settlor and Jeffrey Baron is the sole primary beneficiary (such trust may have one or more contingent beneficiaries so long as such beneficiaries are 501(c)(3) charities or beneficiaries that are contingent upon the death of Jeffrey Baron) or (b) a wholly owned subsidiary of an entity wholly owned by Jeffrey Baron or a trust of which any of the Trusts, Ondova, Jeffrey Baron or a third party (who has no direct or indirect, legal or beneficial, interest whatsoever in Baron or any entity or trust of which Baron has any direct or indirect, legal or beneficial, interest of any kind) are the settlor and Jeffrey Baron is the sole primary beneficiary (such trust may have one or more contingent beneficiaries so long as such beneficiaries are 501(c)(3) charities or beneficiaries that are contingent upon the death of Jeffrey Baron); or (iii) identical to the current ownership of Ondova or the Trust LLCs. During the thirty-one and one-half (31.5) month period commencing on the Settlement Date, any change in the current ownership of Ondova, the Trust LLCs or in the initial ownership of the to-be-formed entities shall be a sale or transfer in material breach of the license granted to that entity in this Section 12.F and shall result in termination of that license (only with respect to the entity in breach), except where the change in ownership comports with (i)-(iii) in this Section 12.F, as confirmed in writing under oath by Jeffrey Baron. To the extent an entity granted a license under this Section 12.F terminates the license prior to a change in its ownership, the change in ownership shall not be a material breach of the license (the Parties acknowledge and agree that any entity that has terminated its license under Section 12.F has done so permanently and cannot obtain another such license).

- G. As of the Settlement Date, Netsphere grants to Jeffrey Baron, Ondova and the Trust LLCs a non-exclusive, transferable, royalty-free, worldwide license to use, reproduce, and distribute copies of the Netsphere Additional Software and make derivative works based on the Netsphere Additional Software.

13. **Phonecards Settlement.**

- A. In order to resolve the claims in the Phonecards.com Case, the Parties agree that: (i) CC.com shall retain its fifty percent (50%) ownership interest in the domain name *phonecards.com* (the "CC Interest") until the second anniversary of the Transfer Date (the "Anniversary Date"); and (ii) effective as of the first day following the Anniversary Date and continuing for a period of sixty (60) days thereafter (the "Option Period"), Equity Trust shall have the option ("Option") to purchase the CC Interest for Ten Thousand Dollars (\$10,000.00) (the "PC Purchase Price"). In the event Equity Trust desires to purchase the CC Interest, Equity Trust shall exercise the Option by delivering written notice to CC.com (the "Notice") of Equity Trust's exercise of the Option and a wire transfer of the PC Purchase Price in accordance with the wire instructions provided by Ravi Puri to Eric Taube, Craig Capua and Elizabeth Schurig by email dated June 7, 2010, as may be updated with written notice from CC.com to Jeffrey Baron (via the email address provided by email from Gary Lyon to Ravi Puri on June 22, 2010) at least thirty (30) days prior to any date on which payment is due (the "Phonecards Payment").

Instructions”), on or before 5:00 p.m., Dallas, Texas, time on the last day of the Option Period. In the event Equity Trust exercises the Option by timely delivery of the Notice and payment of the PC Purchase Price, CC.com shall promptly deliver to Equity Trust an assignment of the CC Interest in substantially the form attached hereto as Exhibit L. Time is of the essence with respect to the Option and, in the event Equity Trust fails to timely deliver the Notice and pay the PC Purchase Price, effective immediately upon expiration of the Option Period, the Option shall lapse and be of no further and effect and Equity Trust shall have no right to purchase the CC Interest.

- B. CC.com is aware that Equity Trust hired Speedypin in August 2009 to operate the *phonecards.com* website and that Equity Trust is not operating the *phonecards.com* website. Equity Trust shall (i) provide CC.com with the login username and password for the *phonecards.com* account(s) with Speedypin within five (5) business days after the date the 9019 motion is filed with the Bankruptcy Court (the “9019 Filing Date”), and (ii) notify CC.com of any updates to such login username and password within five (5) business days of any change. Equity Trust shall further pay and deliver to CC.com fifty percent (50%) of the revenue for *phonecards.com* and supporting documentation for such revenue (which documentation is available via *speedypin.com*’s website as of the date of this Agreement) (collectively, the “PC Items”) on a monthly basis commencing on the 9019 Filing Date and continuing through the Option Period until such time as CC.com no longer retains its CC Interest. Equity Trust shall use its best efforts to have Speedypin, or any other such operator of *phonecards.com*, within two (2) months of the 9019 Filing Date, (a) send any outstanding and future PC Items directly to CC.com, and (b) on the same day any revenue is sent to Equity Trust, deliver such revenue to CC.com pursuant to the Phoncards Payment Instructions (or by check to CC.com at 9821 Katy Freeway, Suite 101, Houston, TX 77024). If Speedypin, or any other such operator of *phonecards.com*, does not agree to send CC.com any of the PC Items within two (2) months of the 9019 Filing Date, the obligations shall remain with Equity Trust to do so by the fifth (5th) business day of each month, with revenue to be paid pursuant to the Phoncards Payment Instructions. The Parties agree that this Agreement (including the releases contained herein) does not replace any existing or future continuing obligations that may exist, if any, under the terminated *phonecards.com* agreement that was effective as of August 1, 2001 (“Phoncards.com Agreement”), including, but not limited to, the last sentence of paragraph 9 of the Phoncards.com Agreement. Equity Trust and CC.com will submit an order to the 68th District Court directing CC.com to provide certain information from the Phoncards.com database to Equity Trust. Compliance with that order will be in full satisfaction of any of CC.com’s obligations under paragraph 9 of the Phoncards.com Agreement to produce or provide information from the even numbered records in the Phoncards.com database.

14. **Proofs of Claim.** As consideration for this Agreement, including, without limitation, the cooperation of the Chapter 11 Trustee, any and all proofs of claim filed in the Bankruptcy Case by the Parties hereto or debts listed in Ondova’s bankruptcy schedules are hereby waived and withdrawn as of the Settlement Date. Upon the request of the Chapter 11 Trustee, each Party agrees to promptly execute and deliver to the Chapter 11 Trustee a release of proof of claim form or other appropriate document evidencing the withdrawal of such Party’s proof of claim.

15. **Mutual General Release.**

- A. As part of the consideration for the promises exchanged herein, from the beginning of time to the date of the Final Settlement Order, except as specifically provided herein

regarding the enforcement of this Agreement, each Party and its respective heirs, family members, executors, divisions, affiliates, subsidiaries, parents, branches, predecessors, successors, assigns, and, with respect to such persons, their past, present and future officers, directors, managers, trustees, employees, servants, agents, shareholders, members, investors, administrators, general or limited partners, representatives, insurers, fiduciaries, advisors, attorneys, affiliates, and other agents fully, completely, unconditionally and forever, RELEASES and DISCHARGES each other Party and its respective heirs, family members, executors, divisions, affiliates, subsidiaries, parents, branches, predecessors, successors, assigns, and, with respect to such persons and individuals (inclusive of any and all capacities, including, without limitation, professional, fiduciary, representational, individual and personal) their past, present and future officers, directors, managers, trustees, employees, servants, agents, shareholders, members, investors, administrators, general or limited partners, representatives, insurers, fiduciaries, advisors, attorneys, affiliates, and other agents, from any and all agreements, compensation, complaints, controversies, costs, damages, debts, demands, expenses, grievances, losses of service, promises, claims, causes of action, rights, remedies, duties, obligations, actions, omissions, loss, or liability whatsoever, whether known or unknown, directly or indirectly arising from or out of, growing out of, based upon, in whole or in part, or attributable to, events, acts or omissions occurring in whole or part from the beginning of time through to the date of the Final Settlement Order, regardless of whether any such claims or causes of action have yet accrued.

- B. Further, notwithstanding that no Party intends to release its own attorneys as a result of the releases set forth in this Section 15, because and to the extent that Baron, Ondova, the Trusts, Domain Jamboree Parties and/or any of their affiliated entities (collectively, the "Baron Parties") claim, or have claimed in the past, that certain opposing attorneys have also allegedly acted as his, her, its or their legal counsel, agent or representative in any other capacity, which allegations are understood by all of the undersigned as disputed fact issues to be compromised by this Agreement, the Baron Parties and all other Parties state, represent and agree that each of the following have never been attorneys, agents or representatives of, or represented in any professional capacity, the Baron Parties for any purpose and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary, representational, individual and personal: John MacPete, Paul Storm, any attorneys at Storm LLP, Dean Hinderliter, any attorneys at Locke, Liddell & Sapp, LLP, any attorneys at Locke Lord Bissell & Liddell, LLP, A.J. Stone, any attorneys at Bolt & Nagi, Frank Perry, any attorneys at Payne & Blanchard, Denis Kleinfeld, any attorneys at The Kleinfeld Firm, any attorneys at Rothstein, Rosenfeld & Adler, Melissa Hayward, any attorneys at Flynn, Skierski, Lovell & Hayward, Ravi Puri, Sharon Hotchkiss, Daniel J. Sherman, any attorneys at Sherman & Yaquinto, Raymond J. Urbanik and any attorneys at Munsch Hardt Kopf & Harr, P.C. Further, and to the same effect, the Manila Parties state, represent and agree that each of the following have never been attorneys, agents or representatives or represented in any professional capacity the Manila Parties for any purpose and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary representational, individual and personal: West & Associates, LLP, Craig Capua, Hohmann, Taube & Summers, LLP, Eric Taube, Raymond J. Urbanik, M'Lou Patton Bell, Munsch Hardt Kopf & Harr P.C., Jeff Hall, Gerrit Pronske, Pronske Patel, LLC, John M. Cone and Hitchcock Everet, LLP. Additionally, and to the same effect, Baron, Ondova and the Domain Jamboree Parties state, represent and agree that each of the following have never been attorneys, agents or representatives or represented in any professional capacity Baron, Ondova and/or the Domain Jamboree Parties for any purpose

and are receiving complete releases in any and all capacities, including, without limitation, professional, fiduciary representational, individual and personal: West & Associates, LLP, Craig Capua, Hohmann, Taube & Summers, LLP, Eric Taube, John M. Cone and Hitchcock Everet, LLP.

- C. The Manila Parties hereby RELEASE and DISCHARGE Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the MMSK Trust, Elizabeth Schurig and her past and present firms in any and all capacities from the beginning of time to the date of the Final Settlement Order, regardless of whether such claims or causes of action has yet accrued, notwithstanding any allegations of fact that at some point Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the MMSK Trust, Elizabeth Schurig and her past or present firms may have served as attorneys for the Manila Parties.
- D. Baron, Ondova and the Domain Jamboree Parties hereby RELEASE and DISCHARGE Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the Village Trust, Elizabeth Schurig and her past and present firms in any and all capacities from the beginning of time to the date of the Final Settlement Order, regardless of whether such claims or causes of action has yet accrued, notwithstanding any allegations of fact that at some point Rosh Alger, Tom Bolt & Associates, Adrian Taylor, Asiatrust Limited as Trustee for the Village Trust, Elizabeth Schurig and her past or present firms may have served as attorneys for Baron, Ondova and/or the Domain Jamboree Parties.
- E. Each releasing Party does specifically waive any claim or right to assert any cause of action or alleged cause of action or claim or demand which has, through oversight or error, intentionally or unintentionally or through a mutual mistake, been omitted from this Release and which is based in whole or in part on any act or omission occurring from the beginning of time to the date of the Final Settlement Order, regardless of whether such claim or cause of action has yet accrued.
- F. The foregoing provisions notwithstanding, all Parties represent, agree and confirm to the other Parties that they have no reason to believe any other third party (that is not a signatory hereunder) has any right, ownership, claim and/or other interest in and to any of the items discussed in this Agreement. Accordingly, each Party to this Agreement represents to each other Party that all necessary parties to effectuate this Agreement with respect to the signing Party have agreed to the terms of this Agreement and have signed (or granted authority in writing to be signed on their behalf) this Agreement. The foregoing representations are material representations, and any breach of such representations shall be a material breach of this Agreement.
- G. For avoidance of doubt, the releases given herein by the Chapter 11 Trustee are made solely in his capacity as trustee for Ondova. Additionally, notwithstanding any provision of this Agreement to the contrary, nothing contained herein shall, in any way limit, reduce, waive, impair or otherwise restrict any and all other claims the Chapter 11 Trustee may have against persons or entities which are not Parties to this Agreement, all of which such rights and claims are specifically reserved.
16. **Delivery of Tax Documents.** On or before the Settlement Date, the Village Trust shall deliver the following tax documents to Manila, and Manila shall have no obligation to make the Cash Payment or to execute and deliver **Exhibit A** until such documents are delivered to Manila: Internal Revenue Service Form W-8IMY executed by the Village Trust and Form W-9 executed

by each beneficial owner of the Village Trust. Within five (5) days after the Settlement Date, the USVI Entities shall deliver the 2006, 2007, 2008, 2009, and 2010 tax filings for each of the USVI corporations to Manila and the Village Trust, including all notices and other communication received by the USVI Entities, or on behalf of the USVI Entities, from governmental agencies related thereto, and all correspondence responding to the same. Manila agrees that it will issue or cause to be issued a Form 1099 or Schedule K-1 to the Village Trust, and not to Jeffrey Baron, in connection with the Cash Payment, the Deferred Payment and the amount of the Combined Pokerstar Revenue that is wired to the Village Trust or at the direction of the Village Trust. Netsphere agrees that it will issue or cause to be issued a Form 1099 or Schedule K-1 to the Licensor identified in the License Agreement in connection with payments made pursuant to the License Agreement. The Baron Parties agree that there shall be no income attributable to the MMSK Trust as a result of the payments required to be made under this Agreement; and no Party shall issue or cause to be issued a Form 1099 or Schedule K-1 to the MMSK Trust, the Manila Parties, and/or the Manila Related Parties in connection with such payments. Except as otherwise provided in this Agreement, no Form 1099 or Schedule K-1 (or other tax form reporting an amount of taxable income to another Party) shall be issued by any Party to the other Parties for 2009 and prior tax years (or for 2010 and subsequent years, except with the consent or agreement of the recipient) or as required by a final settlement or closing agreement entered into with the United States Internal Revenue Service or any United States state or local taxing authority.

17. **Dauben Disclaimer.** Joey Dauben, on behalf of himself, Dauben, Inc., d/b/a Texas International Property Associates and Privacy Protection Services, Inc., d/b/a Oakwood Services, Inc., and his and their respective affiliates, has executed and delivered to the Parties a disclaimer of interest in substantially the form (exclusive of exhibit reference) attached hereto as **Exhibit M**.
18. **Representations and Warranties.** Each Party makes the following representations and warranties to each other Party, which representations and warranties shall survive the execution of this Agreement:
 - A. Such Party has either been, or has had the reasonable opportunity to be, adequately represented by independent and competent legal counsel of his, her or its own choosing in connection with the negotiation and execution of this Agreement and in any and all matters whatsoever relating or appertaining hereto;
 - B. In executing this Agreement, such Party has relied upon his, her, or its own judgment and/or upon the advice of his, her, or its own personal attorneys; that he, she, or it has not been induced to sign or execute this Agreement by any promises, agreements, or representations whatsoever which are not expressly stated herein; and that he, she, or it has freely and willingly executed this Agreement and expressly denies and disclaims any reliance upon any facts, promises, undertakings, or representations made by any other Party or any other Party's legal representatives, agents or advisors at any time prior to and through the Settlement Date;
 - C. Such Party considers the terms of the Agreement to be fair and reasonable and not unconscionable in whole or in part, and such Party's consent to this Agreement was not procured, obtained, or induced in any way or manner by mistake, fraud, improper conduct, or undue influence;
 - D. After investigation and consultation with his, her, or its own attorneys, if any, such Party agrees that this Agreement is satisfactory and is fully supported by good, valid, and

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adequate consideration for all obligations, performance and promises to perform herein, the receipt of which is expressly acknowledged by such Party;

- E. Such Party understands and agrees to all terms, provisions and conditions of this Agreement;
- F. Such Party has the requisite legal authority, capacity, and consent to execute this Agreement, and this Agreement is binding upon such Party acting in the legal capacity or capacities herein stated;
- G. Such Party represents and warrants that in executing this Agreement, it, he or she is not relying on any representation or warranty other than that which is specifically set forth in writing in this Agreement;
- H. Since the date of commencement of the Dallas Federal Case, such Party has not transferred or assigned any interest in any of its, his or her interest in any claim or property interest affected by this Agreement (except for domain names identified in the monthly reports required by February 8, 2010, Order Regarding Transparency in the Transfer and Deletion of Domain Names by the Court in the Dallas Federal Case);
- I. Since the commencement of the Dallas Federal Case, such Party has not transferred or assigned all or any portion in any of its, his or her interest in any claims or causes of action that such Party may have against any other Party to this Agreement (except to his or its attorneys in consideration for attorneys' fees);
- J. Each of the Parties hereto represents and warrants to each other Party that at no time after December 30, 2005, did Ondova or the Estate (i) own any interest, legally or beneficially (including, without limitation, domain names), in the Blue Horizon Portfolio, the Odd Group Portfolio or the Even Group Portfolio; or (ii) sell, assign, transfer or otherwise exercise a remedy available to Ondova or the Estate with respect to the Blue Horizon Portfolio, the Odd Group Portfolio or the Even Group Portfolio; and
- K. Each of the Parties hereto represents and warrants to each other Party that the USVI deal was not consummated.
- L. As of the date of the filing of the 9019 motion in the Bankruptcy Court, each of the Trustee of the Village Trust and the Trustee of the MMSK Trust represent and warrant that all beneficiaries of such trusts are Parties to this Agreement or that the beneficiaries of such trusts that are Parties to this Agreement have the legal capacity to sign on behalf of the other beneficiaries of such trusts.
- M. As of the date of the filing of the 9019 motion in the Bankruptcy Court, Baron represents and warrants that all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust are signing this Agreement or that he has the legal capacity to sign on behalf of the other beneficiaries of such trusts and IRAs.
- N. As of the date of the filing of the 9019 motion in the Bankruptcy Court, each of Munish Krishan and Seema Krishan represent and warrant that all beneficiaries of The MMSK Trust are signing this Agreement or that he or she, as applicable, has the legal capacity to sign on behalf of the other beneficiaries of The MMSK Trust.

- O. Each of such Parties, jointly and individually, from the beginning of time to the Settlement Date, represents and warrants to each other Party that it has not transferred any assets and has no knowledge of any other person or entity transferring any assets (which are addressed, transferred or distributed by or pursuant to this Settlement Agreement except for DJ) to the Belton Trust or DJ.
 - P. Each of such Parties, jointly and individually, represents, warrants and agrees to and with each other Party that, if any person or entity other than Jeffrey Baron later claims to be the trustee of the Belton Trust, it will not do anything, directly or indirectly, to assist such person or entity in challenging the enforceability of, or compliance with, the Settlement Agreement.
19. **Requested Findings.** The Parties agree to seek Bankruptcy Court approval in the order approving this Agreement for the following findings ("Findings"):
- A. That in December 2005 Jeffrey Baron, directly or indirectly through entities owned or controlled by Jeffrey Baron, intended to transfer any domain name he or they owned to the Village Trust and such intention to transfer was not conditional on whether or not the USVI deal was consummated.
 - B. That Jeffrey Baron has not been the moving force behind monetization of the domain names in the "Odd Group Portfolio" since at least July 17, 2009.
 - C. That Jeffrey Baron has not been the moving force behind monetization of the domain names in the Blue Horizon Portfolio since at least April 25, 2009.
 - D. That neither Jeffrey Baron nor Ondova Limited Company have been listed as the registrant of record for, or been the licensee of the listed registrant of record for, or holder of record title to or in, the domain names in the Odd Group Portfolio.
 - E. That Jeffrey Baron is the trustee of the Belton Trust; that all beneficiaries of the Belton Trust are signing the Settlement Agreement and desire that the Belton Trust be bound by this Settlement Agreement; that the only asset in which the Belton Trust has any interest of any kind is DJ; and that the only assets in which DJ has any interest of any kind is the domain name *domainjamboree.com*, its accreditation agreement with ICANN and its registry agreement with Verisign, Inc.
 - F. That Jay Kline is the current Manager of DJ and is authorized to sign this Settlement Agreement on behalf of DJ.

The Parties acknowledge and understand that the Findings may not be approved by the Bankruptcy Court. Since the Findings are not required, the Findings are not material to this Agreement and the remaining terms of the Agreement are: (i) not affected; (ii) fully enforceable, and (iii) shall be fully performed as required by this Agreement.

20. Taxes.

- A. After the Transfer Date, upon the reasonable request of any Party, each other Party shall cooperate in all reasonable respects in preparing for any audits of, or disputes with, taxing authorities regarding any tax returns concerning the matters addressed in this Agreement. Each Party shall be solely responsible for paying any taxes or penalties assessed against them and, further, shall be responsible for all of its attorney fees and costs associated therewith. The mutual general releases provided for in this Agreement include a release of any claims for contribution or indemnity or monetary damages related to any taxes or any penalties assessed against any Party. Subject to the agreement of the Parties set forth in Section 20.A. hereof, each Party is free to take the tax position of its choosing and is solely responsible for any consequences resulting from any such position taken.
- B. The Parties agree that unanimous consent of Newco LLC (as defined below), Quantec LLC, Iguana Consulting LLC, and Novo Point LLC is required to engage in any discussions with the USVI BIR concerning the tax liability of Quantec, Inc., Iguana Consulting, Inc. or Novo Point, Inc., for taxable years beginning on or after January 1, 2006. The Parties further agree that:
- (i) The Parties, as applicable, rescind any purported assignment of shares in the USVI corporations from MMSK Trust to the existing Trust LLCs and any purported ownership interest in the existing Trust LLCs issued to MMSK Trust, and such Parties further agree to treat such assignment and issuance as having never occurred;
 - (ii) The Parties agree that the Manila Related Parties have never had any ownership interest in any of the Trust LLCs;
 - (iii) On or before July 12, 2010, the Trustee of the MMSK Trust agrees to form a new Cook Islands LLC ("Newco LLC") owned by the MMSK Trust to hold the MMSK Trust's and Manila Related Parties' shares of Quantec, Inc. and Iguana Consulting, Inc; the Trustee of the MMSK Trust, Quantec LLC and Iguana Consulting LLC agree to execute Exhibit N acknowledging the rescission/quitclaim of Quantec LLC's and Iguana Consulting LLC's purported ownership of the MMSK Trust's shares of Quantec, Inc. and Iguana Consulting, Inc. and the MMSK Trust's purported ownership interest in Quantec LLC and Iguana Consulting LLC; the Trustee of the MMSK Trust agrees to execute Exhibit O assigning the MMSK Trust's shares of Quantec, Inc. and Iguana Consulting, Inc. to Newco LLC; and the Manila Related Parties agree to execute Exhibit P assigning the Manila Related Parties' shares of Quantec, Inc. and Iguana Consulting, Inc. to Newco LLC;
 - (iv) The current Protector of the MMSK Trust shall appoint Cook Islands Trust Protectors Limited as successor Protector of the MMSK Trust and resign as Protector of the MMSK Trust in the exact form attached hereto as Exhibit P (which has been executed and delivered to the attorney for the Trust LLCs by the Protector via an email dated June 21, 2010, from Bernard Haissly to Craig Capua). Within five (5) business days of the Settlement Date, the Trust LLCs agree to: (i) take care of any outstanding fee owed to the Protector of the MMSK Trust (the Protector has represented the amount of its full and final fee in an email dated June 21, 2010, from Bernard Haissly to Craig Capua and Ravi Puri)

(Gerrit Pronske is personally contributing \$10,000 to the Trust LLCs towards this payment) and the Manila Parties agree that they will not authorize the Protector to incur any further fees, expenses or costs for the MMSK Trust (which authorization is required pursuant to the email dated June 21, 2010 from Bernard Haissly to Craig Capua and Ravi Puri in order for fees to go above \$20,000 in total)(Craig Capua has also agreed in an email dated June 21, 2010 to Gerrit Pronske and Ravi Puri not to authorize the Protector to incur any further fees, expenses or costs for the MMSK Trust); and within five (5) business days of the Settlement Date, the Trustee of the MMSK Trust agrees to: (ii) forward to the Manila Parties a valid resignation from PN Management Limited as the Protector of the MMSK Trust in the form attached as Exhibit Q (exclusive of the exhibit reference) (that has been executed by Bernard Haissly on behalf of the current Protector of the MMSK Trust); and

- (v) Within five (5) business days of the completion of actions in clause (iii) above, (a) Asiatrust Limited shall resign as Trustee of the MMSK Trust by executing and delivering a resignation and appointment of successor notice in the exact form attached hereto as Exhibit R (exclusive of the exhibit reference, and (b) the Protector of the MMSK Trust shall appoint Global Consultants and Services (Cook Islands) Limited as successor Trustee of the MMSK Trust.

21. **Jurisdiction.** The United States Bankruptcy Court for the Northern District of Texas (Dallas Division) shall have the exclusive jurisdiction over all disputes and/or matters whatsoever related to this Agreement, which involve the Estate as a party or that may directly or indirectly impact the Estate or any interest in property (within the meaning of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code")) held by the Estate or the Chapter 11 Trustee (as trustee for Ondova). Subject to the foregoing, the United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise. In the event that the Honorable Royal Furgeson is not available to hear a case related to this Agreement, then any other judge of the United States District Court for the Northern District of Texas shall have jurisdiction over such case.
22. **Choice of Law.** This Agreement shall be governed by and construed in accordance with applicable federal bankruptcy law, 11 U.S.C. §101 et seq., and the laws of the State of Texas, without regard to its conflicts of law principles.
23. **Attorneys' Fees and Costs.** In each of the Underlying Cases, each of the Parties shall bear its own respective attorneys' fees and costs. In the event of a dispute, the prevailing Party in any action to enforce this Agreement shall be entitled to reasonable attorneys' fees and costs of litigation.
24. **Binding Agreement.** The Parties agree that this Agreement, inclusive of the Recitals in Article 1 hereof, is a totally binding agreement which may not be altered by any Party without the written consent of all other Parties and will be in effect for all times, unless otherwise provided herein. This Agreement shall inure to the benefit of, and shall be binding upon the Parties hereto, and their respective heirs, distributees, beneficiaries, executors, administrators, successors, and assigns.
25. **Ondova Plan/Claims Objections.** Prior to the hearing on the motion to approve this Agreement, the Chapter 11 Trustee intends to file the Ondova Plan, if feasible, to provide for,

inter alia, payment of claims of creditors of Ondova. With respect to proofs of claim and other obligations of Ondova, the Chapter 11 Trustee agrees to allow the Daystar Trust to review and object to claims (but only in an amount in excess of \$10,000). The Chapter 11 Trustee reserves the right to comment and/or oppose any objections to claims filed by the Daystar Trust. The Chapter 11 Trustee does not object to Jeffrey Baron filing a competing reorganization plan and/or liquidation plan for Ondova. Prior to filing the Ondova Plan, the Trustee agrees to meet with Jeffrey Baron to confer regarding the Ondova Plan.

26. **Claims for Breach of this Agreement Not Released.** IT IS EXPRESSLY UNDERSTOOD AND AGREED AMONG THE PARTIES TO THIS AGREEMENT THAT THE TERMS OF THIS AGREEMENT RELEASING AND DISCHARGING THE PARTIES ARE NOT INTENDED TO RELATE TO, AND NONE OF THE PARTIES ARE RELEASING ANY OTHER PARTY FROM, ANY CLAIM WHICH MAY HEREAFTER ACCRUE WHICH IS BASED SOLELY UPON FACTS OCCURRING AFTER THE SETTLEMENT DATE AND WHICH SOLELY RELATES TO OR ARISES DIRECTLY FROM OR OUT OF A BREACH OF THIS AGREEMENT ITSELF. THIS SECTION 26 IS NOT INTENDED TO LIMIT THE PROSPECTIVE RELEASE (WHICH IS SET FORTH IN SECTION 15) FOR CLAIMS WHICH ARE BASED IN WHOLE OR IN PART ON FACTS OCCURRING PRIOR TO THE EFFECTIVE DATE.
27. **Waivers.** No waiver of any of the terms or provisions hereof shall be valid unless in writing and signed by all Parties. No waiver of default of any provision hereof shall be deemed a waiver of any subsequent breach or default of the same or similar nature.
28. **Reviewed by Counsel.** By execution hereof, each of the Parties acknowledges and agrees that this Agreement has been prepared and/or reviewed by the respective Parties and/or by the attorneys for each of the Parties.
29. **Entire Agreement.** Each Party hereto acknowledges that he, she, or it has carefully read this Agreement, including all documents or Exhibits that it incorporates and/or refers to, and that this Agreement expresses the entire agreement among the Parties concerning the subject matters it purports to cover; and that each Party has executed this Agreement freely and of his, her, or its own accord. No Party is relying on any oral representation or any other representation not set forth in writing in this Agreement. This Agreement supersedes all other agreements, whether written or oral, between the Parties relating to the subject matter hereof.
30. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be of equal rank. The execution of one counterpart by a Party shall be deemed the execution of all counterparts by such Party.
31. **Injunctive Relief.** The Parties agree that monetary damages alone may not be adequate recompense for any breach of this Agreement. In the event any Party breaches any of the terms, conditions, covenants, obligations, responsibilities or warranties placed upon such Party in this Agreement, then any other Party may seek only the remedies of specific performance and/or injunctive relief (whether mandatory or by restraint) and/or monetary damages, and if such Party is successful, then the Party breaching this Agreement agrees to pay all of the prevailing parties' reasonable attorneys' fees and costs of litigation in addition to any monetary damages awarded, if any. The Parties agree that the Pokerstar.com License Agreement provides for its own remedies and that the remedies available in this Agreement are not available under the Pokerstar.com License Agreement unless otherwise agreed upon in writing.

32. **Time of Essence.** Time is of the essence in performing the provisions of this Agreement.
33. **Survival.** The agreements, representations, and warranties set forth in this Agreement shall survive the execution hereof. If any term or provision of this Agreement shall be held to be invalid or unenforceable for any reason, such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining terms and provisions hereof. This Agreement shall be construed as if such invalid or unenforceable term or provision had not been contained herein, provided, however, that the foregoing shall in no way be interpreted or construed to affect the enforceability of the release provisions of this Agreement. This Agreement has been duly authorized and constitutes a legal, valid, and binding obligation of each Party hereto and is enforceable against each of them in accordance with its terms.
34. **Notice.** Any notices required by this Agreement shall be sufficiently given only if in writing and delivered personally or by a nationally recognized courier service, or mailed by prepaid registered mail addressed to the party for whom it is intended, at the address noted below, provided that any Party may notify the other Parties in writing of a change in such Party's address for the purposes hereof:

If to Baron:

Jeffrey Baron
P. O. Box 111501
Carrollton, Texas 75011

and

Dean W. Ferguson
4715 Breezy Point Drive
Kingwood, Texas 77345

If to Ondova:

Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

If to Manassas:

Manassas, LLC
Craig Capua
West & Associates
320 South R.L. Thornton Freeway
Suite 300
Dallas, Texas 75203

If to Shiloh, LLC:

Shiloh, LLC
c/o Quantec LLC
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

If to Javelina, LLC:

Javelina, LLC
c/o Novo Point LLC
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

If to Diamond Key:

Diamond Key, LLC
c/o Nina deVassal
3553 Asbury
Dallas, Texas 75205

If to the Trustee of The Village Trust:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

and

Craig Capua
West & Associates
320 South R.L. Thornton Freeway
Suite 300
Dallas, Texas 75203

If to the USVI Representative Parties:

Franklin H. Perry
Payne & Blanchard, LLP
700 N. Pearl Street, Suite 500
Dallas, Texas 75201

and

Denis A. Kleinfeld
Kopelowitz Ostrow
200 SW 1st Avenue, 12th Floor
Ft. Lauderdale, Florida 33301

EXECUTION VERSION

If to Manila Parties and Manila Related Parties:

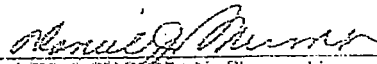
John W. MacPete
Locke Lord Bissell & Liddell LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201

With a courtesy copy to:


Ravi Pari, Esq.
Netsphere Inc.
1300 Bristol Street North, Suite 200
Newport Beach, CA 92660

35. Retention of Protected Materials. With respect to any discovery materials that have been produced under protective order in any of the Underlying Cases, such materials shall be preserved in accordance with and remain subject to the subject protective orders. Gardere Wynne shall maintain copies of the imaged computers produced to Special Master Peter Vogel by Equivalent Data and any copies which are currently in Equivalent Data's possession during the term of the License Agreement, and no Party or third party shall have access to such imaged computers except pursuant to legal process. To the extent any Party to this Agreement seeks access to copies of the imaged computers via legal process, such Party shall concurrently provide notice of such request to Baron and the Manila Parties. Special Master Peter Vogel has agreed to keep and maintain such discovery materials at no cost. Baron and the Manila Parties agree to seek an order from The Honorable Royal Furgeson which confirms that Gardere Wynne will maintain such copies during the term of the License Agreement, the form of such order to be substantially as set forth in Exhibit Q attached hereto.

IN WITNESS WHEREOF, the Parties have each signed this Agreement as of the Settlement Date.


DANIEL J. SHERMAN, Chapter 11
Bankruptcy Trustee of Ondova Limited
Company

ONDOVA LIMITED COMPANY

By: 
Daniel J. Sherman, Chapter 11 Bankruptcy
Trustee

MUNISH KRISHAN, Individually and on
behalf of Mahnik Krishan and Anami Krishan

SEEMA KRISHAN, Individually and on behalf
of Mahnik Krishan and Anami Krishan

EXECUTION VERSION

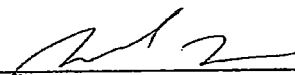
the term of the License Agreement, the form of such order to be substantially as set forth in **Exhibit Q** attached hereto.

IN WITNESS WHEREOF, the Parties have each signed this Agreement as of the Settlement Date.


DANIEL J. SHERMAN, Chapter 11
Bankruptcy Trustee of Ondova Limited
Company

ONDOVA LIMITED COMPANY

By: _____
Daniel J. Sherman, Chapter 11 Bankruptcy
Trustee



MUNISH KRISHAN, Individually and on
behalf of Mahnik Krishan and Amani Krishan



SEEMA KRISHAN, Individually and on behalf
of Mahnik Krishan and Amani Krishan



BIJU MATHEW, Individually



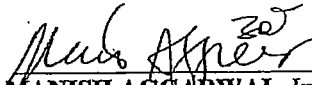
AMIR ASAD, Individually



ROHIT KRISHAN, Individually



MANOJ KRISHAN, Individually



MANISH AGGARWAL, Individually



AMER ZAVERI, Individually

EXECUTION VERSION

BIJU MATHEW, Individually

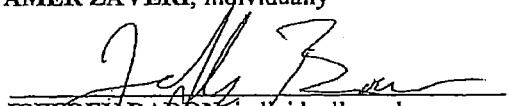
AMIR ASAD, Individually

ROHIT KRISHAN, Individually

MANOJ KRISHAN, Individually

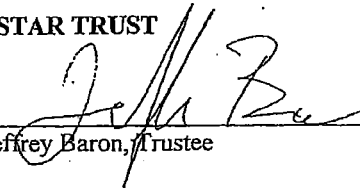
MANISH AGGARWAL, Individually

AMER ZAVERI, Individually



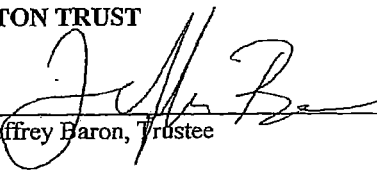
JEFFREY BARON, individually and as a beneficiary of and on behalf of all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust

DAYSTAR TRUST

By: 

Jeffrey Baron, Trustee

BELTON TRUST

By: 

Jeffrey Baron, Trustee

DENIS KLEINFELD, individually and on behalf of all officers, directors, managers, members and employees of the USVI Entities

EXECUTION VERSION

BIJU MATHEW, Individually

AMIR ASAD, Individually

ROHIT KRISHAN, Individually

MANOJ KRISHAN, Individually

MANISH AGGARWAL, Individually

AMER ZAVERI, Individually

JEFFREY BARON, individually and as a beneficiary of and on behalf of all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust

DAYSTAR TRUST

By: _____
Jeffrey Baron, Trustee

BELTON TRUST

By: _____
Jeffrey Baron, Trustee

DENIS KLEINFELD, individually and on behalf of all officers, directors, managers, members and employees of the USVI Entities

Jeanne E Hudson
JEANNE HUDSON, individually

BYRON DEAN, individually and as Sole
Member of Manassas

BUD BRANSTETTER, individually and as
Manager of Manassas

NINA DEVASSAL, individually and as Sole
Member and Manager of Diamond Key, LLC

SHILOH, LLC

By: _____
Name: _____
Title: _____

JAVELINA, LLC

By: _____
Name: _____
Title: _____

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

JEFFREY BARON, individually and as a beneficiary of and on behalf of all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust

DAYSTAR TRUST


By: _____
Jeffrey Baron, Trustee

BELTON TRUST

By: _____
Jeffrey Baron, Trustee

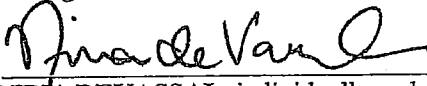
DENIS KLEINFELD, individually and on behalf of all officers, directors, managers, members and employees of the USVI Entities

JEANNE HUDSON, individually



BYRON DEAN, individually and as Sole Member of Manassas

BUD BRANSTETTER, individually and as Manager of Manassas



NINA DEVASSAL, individually and as Sole Member and Manager of Diamond Key, LLC

SHILOH, LLC

By: _____
Name: _____
Title: _____

JEFFREY BARON, individually and as a beneficiary of and on behalf of all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust

DAYSTAR TRUST

By: _____
Jeffrey Baron, Trustee

BELTON TRUST

By: _____
Jeffrey Baron, Trustee

DENIS KLEINFELD, individually and on behalf of all officers, directors, managers, members and employees of the USVI Entities

JEANNE HUDSON, individually

BYRON DEAN, individually and as Sole Member of Manassas

Bud Branstetter
BUD BRANSTETTER, ~~individually~~ and as Manager of Manassas ^{BB}

NINA DEVASSAL, individually and as Sole Member and Manager of Diamond Key, LLC

SHILOH, LLC

By: _____
Name: _____
Title: _____

EXECUTION VERSION

JEFFREY BARON, individually and as a beneficiary of and on behalf of all beneficiaries of The Village Trust, Equity Trust Company IRA 19471, the Daystar Trust, and the Belton Trust

DAYSTAR TRUST

By: _____
Jeffrey Baron, Trustee

BELTON TRUST

By: _____
Jeffrey Baron, Trustee

DENIS KLEINFELD, individually and on behalf of all officers, directors, managers, members and employees of the USVI Entities

JEANNE HUDSON, individually

BYRON DEAN, individually and as Sole Member of Manassas

BUD BRANSTETTER, individually and as Manager of Manassas

NINA DEVASSAL, individually and as Sole Member and Manager of Diamond Key, LLC

SHILOH, LLC

ATP NOMINEES LIMITED
EMITS DUTY AUTHORIZED OFFICER

By: _____
Name: ANGELA POPEL & JOCELYN KATKRA
Title: _____

EXECUTION VERSION

JAVELINA, LLC

ATP NOMINEES LIMITED
BY ITS DULY AUTHORIZED OFFICER

By: _____
Name: _____
Title: _____
ANITA A. POPE & JOSEPH N. KEELER

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORIZED OFFICER

By: _____
Name: _____
Title: _____
LESLIE KATO & LISA IRO

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORIZED OFFICER

By: _____
Name: _____
Title: _____
LESLIE KATO & LISA IRO

MANILA INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

NETSPHERE, INC.

By: _____
Name: _____
Title: _____

HCB, LLC, a Delaware limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

EXECUTION VERSION

JAVELINA, LLC

By: _____
Name: _____
Title: _____

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

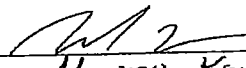
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Name: _____
Title: _____

THE VILLAGE TRUST

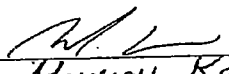
By: Asiatrust Limited, Its Trustee

By: _____
Name: _____
Title: _____

MANILA INDUSTRIES, INC.

By:  _____
Name: MUNISH KRISHAN
Title: President

NETSPHERE, INC.

By:  _____
Name: MUNISH KRISHAN
Title: President

HCB, LLC, a Delaware limited liability company

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

EXECUTION VERSION

MANILA INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

NETSPHERE, INC.

By: _____
Name: _____
Title: _____

HCB, LLC, a Delaware limited liability company

By: Four Points Management, LLLP
By: Marshden, LLC, General Partner of Four Points Management LLLP
By: _____
Name: Denis Klement
Title: MANAGER

HCB, LLC, a USVI limited liability company

By: Four Points Management, LLLP
By: Marshden, LLC, General Partner of Four Points Management LLLP
By: _____
Name: Denis Klement
Title: Manager

EXECUTION VERSION

**REALTY INVESTMENT MANAGEMENT,
LLC, a Delaware limited liability company**

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four
Points Management LLLP

By: 

Name: Denis Kleinfeld

Title: MANAGER

**REALTY INVESTMENT MANAGEMENT,
LLC, a USVI limited liability company**

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four
Points Management LLLP

By: 

Name: Denis Kleinfeld

Title: MANAGER

SIMPLE SOLUTIONS, LLC

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four
Points Management LLLP

By: 

Name: Denis Kleinfeld

Title: MANAGER

SEARCH GUIDE, LLC

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four
Points Management LLLP

By: 

Name: Denis Kleinfeld

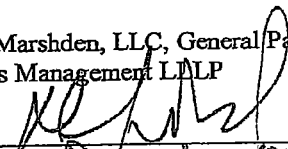
Title: MANAGER

EXECUTION VERSION

BLUE HORIZON LIMITED LIABILITY COMPANY

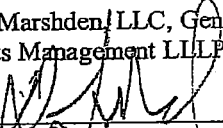
By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

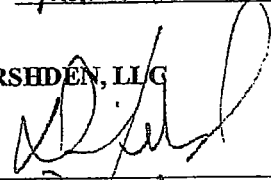
By: 
Name: Denis Kleinfeld
Title: MANAGER

FOUR POINTS MANAGEMENT, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: 
Name: Denis Kleinfeld
Title: MANAGER

MARSHDEN, LLC

By: 
Name: Denis Kleinfeld
Title: MANAGER

NOVO POINT, INC.

By: _____
Name: _____
Title: _____

IGUANA CONSULTING, INC.

By: _____
Name: _____
Title: _____

EXECUTION VERSION

BLUE HORIZON LIMITED LIABILITY COMPANY

By: Four Points Management, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

FOUR POINTS MANAGEMENT, LLLP

By: Marshden, LLC, General Partner of Four Points Management LLLP

By: _____
Name: _____
Title: _____

MARSHDEN, LLC

By: _____
Name: _____
Title: _____

NOVO POINT, INC.

By: Jeanne E. Hudson
Name: JEANNE E. HUDSON
Title: AUTHORIZED SIGNATORY BY PARTIES

IGUANA CONSULTING, INC.

By: Jeanne E. Hudson
Name: JEANNE E. HUDSON
Title: AUTHORIZED SIGNATORY BY PARTIES

EXECUTION VERSION

IGUANA CONSULTING, INC.

By: _____
Name: _____
Title: _____

QUANTEC, INC.

By: _____
Name: _____
Title: _____

NOVO POINT LLC

By: Novquant, LLC, Manager

ATP NOMINEES LIMITED
BY ITS DULY AUTHORIZED OFFICER
By: _____
Name: _____
Title: ANGELA POPE & JOCELYN KOTERA

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

ATP NOMINEES LIMITED
BY ITS DULY AUTHORIZED OFFICER
By: _____
Name: _____
Title: ANGELA POPE & JOCELYN KOTERA

QUANTEC LLC

By: Novquant, LLC, Manager

ATP NOMINEES LIMITED
BY ITS DULY AUTHORIZED OFFICER
By: _____
Name: _____
Title: ANGELA POPE & JOCELYN KOTERA

CALLINGCARDS.COM, LLC

By: _____
Name: _____
Title: _____

EXECUTION VERSION

QUANTEC, INC.

By: Jeanne E Hudson
Name: JEANNE E. HUDSON
Title: AUTHORIZED SIGNATORY BY PARTIES

NOVO POINT LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

QUANTEC LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

CALLINGCARDS.COM, LLC

By: _____
Name: _____
Title: _____

ID GENESIS, LLC

By: Netsphere, Inc., Sole Member

By: _____
Name: _____
Title: _____

EXECUTION VERSION

IGUANA CONSULTING, INC.

By: _____
Name: _____
Title: _____

QUANTEC, INC.

By: _____
Name: _____
Title: _____

NOVO POINT LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

QUANTEC LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

CALLINGCARDS.COM, LLC

By: Max Li
Name: MAX LI
Title: CEO

EXECUTION VERSION

ID GENESIS, LLC

By: Netsphere, Inc., Sole Member

By: [Signature]
Name: HUNISH KRISHAN
Title: President

DOMAIN JAMBOREE, LLC

By: _____
Name: _____
Title: _____

EQUITY TRUST COMPANY, a South
Dakota trust company, as Custodian of IRA
19471 and as successor in interest of Mid Ohio
Securities as Custodian of IRA 19471 .

By: _____
Name: _____
Title: _____

CHARLES ALDOUS, individually

JEFF RASANKY, individually

RON SHERIDAN, individually

EXECUTION VERSION

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

QUANTEC LLC

By: Novquant, LLC, Manager

By: _____
Name: _____
Title: _____

CALLINGCARDS.COM, LLC

By: _____
Name: _____
Title: _____

ID GENESIS, LLC

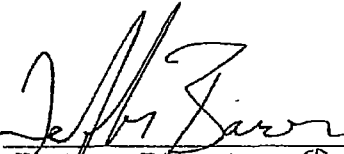
By: Netsphere, Inc., Sole Member

By: _____
Name: _____
Title: _____

DOMAIN JAMBOREE, LLC

By: Belton Trust, Sole Member

By Belton Trust, Sole Member 76

By: 

~~Jeffrey Baron, Trustee~~ by Jeffrey Baron, as Trustee
~~Jay Kline, Manager~~ of the Belton Trust as
Ordered by the Bankruptcy
Court in place of
Jay Kline

EQUITY TRUST COMPANY, a South
Dakota trust company, as Custodian of IRA
19471 and as successor in interest of Mid Ohio
Securities as Custodian of IRA 19471

DOMAIN JAMBOREE, LLC
By: Belton Trust, Sole Member

By: _____
Jeffrey Baron, Trustee

EQUITY TRUST COMPANY, a South Dakota trust company, as Custodian of IRA 19471 and as successor in interest of Mid Ohio Securities as Custodian of IRA 19471

By: 
Name: _____
Title: **Dan Youngers**

CORPORATE ALTERNATIVE SIGNER
CHARLES ALDOUS, individually

JEFF RASANKY, individually

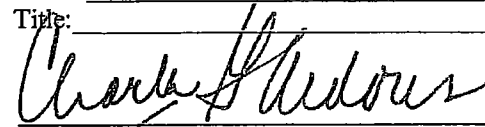
RON SHERIDAN, individually

DOMAIN JAMBOREE, LLC

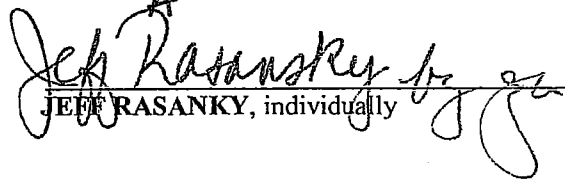
By: _____
Jay Kline, Manager

EQUITY TRUST COMPANY, a South
Dakota trust company, as Custodian of IRA
19471 and as successor in interest of Mid Ohio
Securities as Custodian of IRA 19471

By: _____
Name: _____
Title: _____



CHARLES ALDOUS, individually



JEFF RASANKY, individually

RON SHERIDAN, individually

EXECUTION VERSION

ID GENESIS, LLC

By: Netsphere, Inc., Sole Member

By: _____
Name: _____
Title: _____

DOMAIN JAMBOREE, LLC


By: _____
Name: _____
Title: _____

EQUITY TRUST COMPANY, a South
Dakota trust company, as Custodian of IRA
19471 and as successor in interest of Mid Ohio
Securities as Custodian of IRA 19471

By: _____
Name: _____
Title: _____

CHARLES ALDOUS, individually

JEFF RASANKY, individually



RON SHERIDAN, individually

EXHIBIT A

Form of Security Agreement

NETSPHERE, INC.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Security Agreement"), effective as of _____, 2010 (the "Effective Date"), is made by NETSPHERE, INC., a Michigan corporation ("Maker"), MANILA INDUSTRIES, INC., a California corporation ("Manila") and ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands ("Payee").

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Manila, Payee and other parties named therein (the "Settlement Agreement"), Manila agreed to make the Deferred Payment (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Manila's obligations to make the Deferred Payment, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker's right, title and interest in the domain name *FreeSex.com*;

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Deferred Payment, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Security Agreement, the following terms shall have the following meanings:

"Collateral" shall mean all of Maker's right, title and interest in and to the domain name *FreeSex.com* (the "Domain Name"), but Collateral shall not include, and the Payee waives any right to, any Proceeds and Contract Rights, insurance proceeds, unearned premiums, tax refunds, rents, profits and products thereof or any content or other information which may be located at or appear on the website using this Domain Name.

"Contract Rights" shall mean any right to payment related to the Collateral.

"Deferred Payment Default" shall mean Manila's failure to pay the Deferred Payment in accordance with the Settlement Agreement, which failure remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker and Manila.

"Event of Default" shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Security Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker and Manila, or (ii) a Deferred Payment Default.

"GAAP" shall mean generally accepted accounting principles.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“**Proceeds**” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received by or owing to or generated by Maker or for the benefit of Maker when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“**Secured Obligations**” shall mean the obligation of Manila to pay the Deferred Payment and the obligations of Maker under this Security Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“**UCC**” shall mean the Uniform Commercial Code as in effect in the State of California.

“**Post-Default Deposits**” shall mean all Proceeds, Contract Rights, insurance proceeds, rents, profits and revenue of any type or character actually received by Maker generated from the Collateral (including but not limited to revenues generated from the lease or license of the Collateral) after the date of a Noticed Default (as defined in paragraph 8 hereof).

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Security Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Security Agreement (including, without limitation, in a bankruptcy proceeding).

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Deferred Payment remains outstanding and except as otherwise permitted under this Security Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral; provided, however that (i) Maker may, without Payee’s consent, sell, transfer, assign or otherwise dispose of the Collateral if the proceeds of such transaction are used to pay the Deferred Payment in full and in cash at the closing of any such transaction, and (ii) Maker may from time to time, without Payee’s consent, lease and/or license the rights to the Collateral so long as such lease or license remains subject to this Security Agreement and subordinate to Payee’s first lien on the Collateral.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Security Agreement:

(i) Organization and Corporate Power. Maker is a corporation validly existing and in good standing under the laws of Michigan.

(ii) Authorization: No Breach. The execution, delivery and performance of this Security Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Security Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker's capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Security Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Security Agreement or otherwise; and (iii) Payee's exercise of its rights under this Security Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Security Agreement (i) the California address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Michigan is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Security Agreement (i) none of its Collateral is covered by any certificate of title or subject to any lien or grant of any security interest other than the one created by this Security Agreement, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Security Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Except for expenditures of cash in the ordinary course of business or as otherwise permitted under Section 3(a) of this Security Agreement, Maker shall not sell, transfer, assign, convey or otherwise dispose of, or extend, amend, terminate or otherwise modify any material

term or provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect the Collateral.

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a first lien perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then so long as such Event of Default exists:

(a) If the Event of Default is a Deferred Payment Default or default under paragraph 3(a) hereof, then Payee's sole remedy for such default shall be to pursue a final, non-appealable judgment to permit the sale at public auction of the Collateral pursuant to Article 9 of the UCC to satisfy the Deferred Payment debt and/or to seek payment of the Deferred Payment debt, plus any fees and costs pursuant to paragraph 15(f) from the Post Default Deposits. The sale at public auction of the Collateral pursuant to Article 9 of the UCC shall occur only after notice and advertising of any sale at public auction has been published for at least sixty (60) days in advance of the sale date and notice must be provided to persons and entities as are required under Article 9

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of the UCC for the conduct of a commercially reasonable sale at public auction. Additionally, any such sale at public auction must be conducted by one of the nationally recognized domain name auctioneers (or their successors) listed on Schedule 1 attached hereto, to the extent that such auctioneers are then in existence and in the business of conducting domain name auctions. If none of the auctioneers (or their respective successors) listed on Schedule 1 are then in existence or will agree to conduct the sale on sixty (60) days notice, then Payee must use such other auctioneer as would be required by Article 9 of the UCC for the conduct of a commercially reasonable sale at public auction. In the event that a sale of the Collateral and application of the Post-Default Deposits results in a surplus over and above the amount of the Deferred Payment debt plus any fees and costs pursuant to paragraph 15(f), then such surplus shall be paid within five (5) business days to Maker and, in the event that a sale of the Collateral results in a deficiency, then Payee shall have recourse for such deficiency against Manila. To the extent that Payee seeks payment of the Deferred Payment debt from the Post-Default Deposits, Manila shall be liable to Maker for the amount of Post-Default Deposits applied to the Deferred Payment debt.

(b) If the Event of Default is other than a Deferred Payment Default or default under paragraph 3(a), then Payee's sole remedy shall be to seek specific performance, including, but not limited to, preliminary injunctive relief and any attorneys fees permitted pursuant to subsection 15(f), by Maker of the warranty, covenant, agreement or term breached.

(c) It being understood in each instance referenced in clauses (a) and (b) above that Maker shall have no obligation to make any payment of the Deferred Payment to Payee, which shall at all times remain an obligation of Manila, and that Payee shall not have, nor be entitled to, any other right or remedy under this Security Agreement, the UCC or any other applicable law.

12. Agreement to Deposit Funds. In the event of an uncured Deferred Payment Default or a default under paragraph 3(a) hereof, and upon written notice to Maker by Payee pursuant to the terms hereof, and regardless of whether Maker contests whether such Deferred Payment Default or other default under paragraph 3(a) hereof has occurred or whether Maker asserts defenses to such alleged default, Maker agrees and it shall deposit into the registry of the United States District Court for the Northern District of Texas, in connection with the litigation described in paragraph 11 hereof, all Post Default Deposits. Maker agrees and stipulates that its obligation to make the Post Default Deposits, as described herein, shall be enforceable by injunctive relief without bond and without the need for Payee to demonstrate irreparable injury, such injury being stipulated and agreed to herein, and regardless of whether Maker asserts defenses to any of the defaults called by Payee hereunder; it being the intent of Maker and Payee that the right to the Post-Default Deposits should ultimately be adjudicated by the court which has jurisdiction of the claims asserted by Payee against Maker as referenced in paragraph 11 hereof, and pursuant to this Security Agreement. All payments by Maker of the Post-Default Deposits shall be made within five (5) business days from the date that they are received by Maker. Maker agrees and stipulates that it shall not divert any traffic from freesex.com or, upon the written notice to Maker by Payee pursuant to the terms hereof and after of a Deferred Payment Default or a default under paragraph 3(a) and regardless of whether Maker contests whether such Deferred Payment Default or other default under paragraph 3(a) hereof has occurred, that it shall not divert any revenue from feesex.com, all of which shall constitute Post Default Deposits. The obligation to make Post Default Deposits and prohibition against diverting revenues or traffic from freesex.com shall be enforceable by injunctive relief and based upon the stipulation and agreement of Maker that no bond shall be required for such injunctive relief, and no showing of irreparable injury shall be required, such irreparable injury being stipulated to by Maker herein.

13. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Security Agreement by Payee.

(b) To the extent that Manila makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Manila or a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Security Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party; provided that Maker shall have no obligation to make any payment of the Deferred Payment to Payee.

14. Defeasance. Upon payment in full of the Secured Obligations, this Security Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 14 which shall survive), and in such event Payee shall, at Payee's expense take all action necessary to terminate Payee's security interest in the Collateral. This Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

15. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Security Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Security Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

(c) This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Security Agreement by signing any such counterpart.

(d) THIS SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF CALIFORNIA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF CALIFORNIA.

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(e) This Security Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

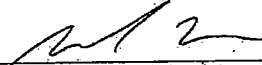
(f) If any action is brought to enforce or interpret the terms of this Security Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Security Agreement, whether related to its consummation, implementation, enforcement or otherwise. In the event that the Honorable Royal Furgeson is not available to hear a case related to this Security Agreement, then any other judge of the United States District Court for the Northern District of Texas shall have jurisdiction over such case.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

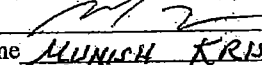
IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the Effective Date.

NETSPHERE, INC.

By: 
Name MUNICH KRISHAN
Title: President

Address:
Netsphere, Inc.
c/o Ravi Puri, Esq.
1300 Bristol Street North, Suite 200
Newport Beach, CA 92660

MANILA INDUSTRIES, INC.

By: 
Name MUNICH KRISHAN
Title: President

Address:
Manila Industries, Inc.
23312 Eagle Ridge
Mission Viejo, CA 92692

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THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORISED OFFICER

By: _____

Name: Lisa 120

Title: LESLET KATEA LISA 120

Address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga.
Cook Islands

SCHEDULE 1 TO EXHIBIT A
List of Auctioneers

Auctioneer shall be one of the following (so long as it continues to conduct domain name auctions):

- 1) The legal entity that operates auctions via Sedo.com;
- 2) The legal entity that operates auctions via maltzauctions.com
- 3) Moniker Online Services, LLC (currently located at <http://domainauctions.moniker.com/>)
- 4) Rick Latona Auctions (currently located at <http://www.ricklatona.com/domains/>)

EXHIBIT B

Form of License Agreement

POKERSTAR.COM LICENSE AGREEMENT

THIS POKERSTAR.COM LICENSE AGREEMENT ("License Agreement"), effective as of the date of the last signature hereto ("Effective Date"), is by and between Asiatrust Limited as Trustee of the Village Trust ("Licensor"), and Netsphere, Inc., a Michigan corporation with its principal place of business at 1300 Bristol Street North, Suite 200, Newport Beach, CA 92660 ("Netsphere").

WHEREAS, Licensor represents and warrants that it is the sole registrant and owner of all rights (property, contract, copyright, and all other rights recognized in law) in the internet domain name Pokerstar.com and wishes to grant Netsphere an exclusive license to the Pokerstar.com domain name.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. DOMAIN LICENSE

1.1 License.

Licensor hereby grants to Netsphere, for the Term of this License Agreement, an exclusive license to the Pokerstar.com domain name, including, but not limited to, the exclusive right to use, in Netsphere's sole discretion, Pokerstar.com in any form of Online Business and including the right to sublicense. For purposes of this License Agreement, "Online Business" includes, but is not limited to, domain parking, monetization, and build out and/or operation of a website associated with the Pokerstar.com domain name. Nothing herein shall obligate Netsphere to operate, market, develop, or promote (including without limitation through search engine optimization, purchasing keywords, advertising, or any affiliate program) any Online Business or otherwise use the Pokerstar.com domain name during the Term of this License Agreement. Licensor shall have no right of control, participation, or management regarding the use or non-use of the Pokerstar.com domain name by Netsphere during the Term of this License Agreement. Licensor may not grant another license to the Pokerstar.com domain name during the Term without the written consent of Netsphere. Except as specifically provided herein, the ownership of all rights in the domain name Pokerstar.com will remain with the Licensor and are in no way transferred to Netsphere by virtue of the license granted in this License Agreement.

1.2 License Fee.

In exchange for the exclusive license granted to Netsphere, fifty percent (50%) of any revenue Netsphere receives from third parties via operation of any website at the address Pokerstar.com during the Term ("License Fee") shall be paid via wire transfer to Licensor (in accordance with the wire instructions provided by Craig Capua to John MacPete by email on June 7, 2010, by the 5th business day of each month for monies received (only includes actual receipts, not monies earned, for which exact copies of e-mails or online bank account activity statements indicating the relevant wire transfer receipts for the operation of any website at the address Pokerstar.com shall be provided) in the prior month (i.e. revenues earned in March will typically be paid to/received by Netsphere in April and, if received by Netsphere in April, the License Fee from revenues earned in March will then be paid to Licensor by the 5th business day of May). Netsphere shall retain the other fifty percent (50%) of any revenue it receives from third parties via operation of a website at the address Pokerstar.com ("Netsphere Payment"). Until such time as the Combined Pokerstar Revenue and the Additional Payment (as such terms are defined in the

Settlement Agreement entered into by the parties on July 2, 2010 ("Settlement Agreement") have been paid in accordance with Section 6.C. of the Settlement Agreement, payments of the License Fee will be made pursuant to Section 6.B and 6.C of the Settlement Agreement. If Licensor does not receive the License Fee within the time period discussed in this paragraph, Licensor shall notify Netsphere in writing. Within thirty (30) days of such notice ("Notice Period"), Netsphere shall attempt to cure by: i) sending Licensor a copy of the wire confirmation OR ii) sending any outstanding License Fee to Licensor. If Netsphere fails to cure within the Notice Period, within five (5) business days of the end of such Notice Period, Netsphere agrees to pay the License Fee and the Netsphere Payment into an escrow account held by Gracy Title Company until the dispute is resolved. Additionally, if Netsphere utilizes the Notice Period, due to Netsphere's sole fault, more than two (2) times during any calendar year, it shall pay Licensor the amount of two hundred fifty dollars (\$250) ("Penalty Amount") for each Notice Period utilized in excess of two (2) times during such calendar year. This Penalty Amount does not apply if the additional Notice Period(s) utilized by Netsphere were not caused by Netsphere's failure to pay any outstanding License Fee.

1.3 Domain Renewal.

During the Term, Licensor agrees to continue to renew Pokerstar.com at its own cost, with renewal to be completed at least thirty-five (35) days prior to the expiration of any registration period. If Licensor fails to renew Pokerstar.com at least thirty-five (35) days prior to the expiration of any registration period, Netsphere shall notify Licensor in writing. Within 5 days of such notice ("Renewal Notice Period"), Licensor shall attempt to cure by renewing the registration period for Pokerstar.com. If Licensor fails to cure within the Renewal Notice Period, Netsphere may renew the registration on Licensor's behalf and, in such event, Netsphere may deduct the renewal fee plus a Twenty Five Thousand Dollar (\$25,000) penalty from the next License Fee(s) owed to Licensor. If Netsphere exercises its right to renew the registration of Pokerstar.com, if Pokerstar.com's registrar refuses to perform the renewal, Licensor and Pokerstar.com's registrar agree that Netsphere shall be entitled to specific performance and a mandatory preliminary and permanent injunction without any bond requirement and without prior notice to Licensor, its registrar, and/or any other third party, requiring renewal of the Pokerstar.com domain for a minimum term of one (1) year (or longer, if requested and paid for by Netsphere). Any costs, fees and attorney's fees incurred by Netsphere to obtain such injunctive relief shall be deducted from the next License Fee(s) owed to Licensor until such costs, fees, and attorney's fees are fully recovered.

1.4 Nameserver Change.

During the Term, Licensor agrees to only point the nameservers and/or IP addresses for Pokerstar.com to those nameservers and/or IP addresses requested by Netsphere (in its sole discretion) in writing (including via e-mail). Other nameservers and/or IP addresses not authorized and/or requested by Netsphere are not permitted. Any request by Netsphere to Licensor for an update to the nameserver and/or IP address for Pokerstar.com shall be completed by Licensor (or its registrar) within twenty-four (24) business hours (based on eight (8) hours per business day) of such request. If, during the Term, Licensor, the registrar for Pokerstar.com, or any other third party ("Licensor Parties") removes and/or directs the nameservers and/or IP addresses for Pokerstar.com to nameservers and/or IP addresses not authorized or consented to by Netsphere in writing ("NS Removal"), Netsphere shall send notice ("Nameserver Notice") to Licensor pursuant to the instructions provided by Licensor in an email to Ravi Puri dated July 1, 2010. Within twenty-four (24) business hours (based on eight (8) hours per business day) of the Nameserver Notice ("NS Notice Period"), the Licensor Parties shall update the nameservers and/or IP addresses for Pokerstar.com as requested by Netsphere ("NS Update"). Licensor Parties and any entity and/or individual acting with or without the consent of Licensor agree that Netsphere shall also be entitled to specific performance and a mandatory preliminary and permanent injunction requiring the NS Update without any bond requirement and without prior notice to the Licensor Parties. If Licensor Parties fail to

perform the NS Update within twelve (12) business hours, or immediately if Licensor Parties utilize the NS Notice Period more than two (2) times during any calendar year, it shall pay Netsphere an amount, equal to the revenue for the subject number of days (any partial days shall be rounded up to the next whole number) multiplied by fifty percent (50%), Pokerstar.com has not been directed to a Netsphere requested nameserver and/or IP address multiplied by the highest revenue earned for one day in the most recent 30 days prior to the day the nameservers and/or IP addresses were not directed to a Netsphere requested nameserver and/or IP address less fifty percent (50%) of any monies received by Netsphere for Pokerstar.com for the day(s) the nameservers and/or IP addresses were not directed (regardless of when received) as requested by Netsphere PLUS any reasonable costs, fees and attorney's fees incurred by Netsphere to obtain injunctive relief, if any, shall be deducted from the next License Fee(s) owed to Licensor until the costs, fees, attorney's fees, and penalty(ies) are fully recovered.

1.5 Intellectual Property Rights.

a. Netsphere and its advertisers, affiliates, service providers and suppliers will retain ownership of their intellectual property, including, but not limited to, patent, trademark, trade secret, and copyrights ("Intellectual Property"). All material available and/or published on a website at the address Pokerstar.com, via the nameservers and/or IP addresses that Netsphere has requested Licensor to point towards, including, but not limited to, written content, photographs, graphics, images, illustrations, marks, logos, sound or video clips, and flash animation, is protected by intellectual property rights, including, but not limited to, patent, copyright, trademark and trade secret (collectively "PS Content") and is the sole property of Netsphere or its advertisers, affiliates, service providers and/or suppliers.

b. Licensor agrees that it is not authorized or licensed to use the PS Content and/or the Intellectual Property that is used on or in connection with a website at the address Pokerstar.com and will not make a claim to any rights to or ownership of the PS Content and/or any Intellectual Property that is used on or in connection with a website at the address Pokerstar.com. Licensor will not: (1) adapt, alter, broadcast, circulate, copy, create derivative works of, display, dispose, distribute, disseminate, edit, electronically transfer, exploit, lease, license, loan, make available, modify, publish, register, rent, reproduce, retransmit, revise, sell, sublicense, translate, or use any PS Content and/or Intellectual Property; (2) reverse engineer, decompile, reverse compile, or disassemble any PS Content and/or Intellectual Property in whole or in part; (3) use any information obtained by crawling and/or spidering the website at the address Pokerstar.com (including, but not limited to the search results and any other content); and/or (4) authorize any other person or entity to do any of the foregoing.

1.6 Term and Termination.

a. Unless earlier terminated as set forth herein, the original term of this License Agreement shall extend for twenty-five (25) years from the Transfer Date as set forth in the Settlement Agreement and any subsequent renewal of this License Agreement for any period of time shall be agreed to in writing by both parties at least thirty (30) days prior to the end of the original or any subsequent term. The original term and any and all renewal terms are included within the meaning of "Term" as used herein.

b. Licensor may terminate this License Agreement only if the monthly funds received by Licensor from Netsphere fall below Twelve Thousand Five Hundred United States Dollars (\$12,500) per month for six (6) consecutive months. If Licensor elects to exercise its option to terminate under this provision, Licensor shall provide Netsphere with thirty (30) days written notice of termination.

c. Unless otherwise agreed to in this paragraph 1.6, this License Agreement may not be terminated for any reason, including, but not limited to, an alleged breach of this License Agreement or the Settlement Agreement.

1.7 No Warranties.

Nothing in this License Agreement shall be deemed to be a warranty, express or implied, by Netsphere as to Netsphere's performance under this License Agreement and/or the performance of any Online Business related to the Pokerstar.com domain. Netsphere shall not owe Licensor any fiduciary duties or other duties that are not expressly provided in this License Agreement.

1.8 Records; Auditing.

During the Term of the License Agreement, Licensor shall have the right, upon at least fifteen (15) business days prior written notice, during normal business hours, through an independent auditor, to examine and audit Netsphere's books and records for the preceding twelve (12) months (as of the date of the audit) relating solely to the operation of a website at the address Pokerstar.com and the revenue received therefrom (the "Records"), which books and records shall be kept and maintained by Netsphere in accordance with generally accepted accounting principles, consistently applied, separate and apart from the books and records for Netsphere's other business operations. Except in the case of an uncured default hereunder, Licensor may exercise such right no more than one (1) time per calendar year. The cost of any such examination and audit shall be paid by Licensor, except that, if it is determined on the basis of such audit (or if, in accordance with the following provisions, it is otherwise ultimately determined) that Netsphere's revenues received for the period audited were understated by more than five percent (5%), then the reasonable cost of the audit shall be paid by Netsphere and Netsphere shall immediately pay Licensor any sums due as a License Fee for the subject audit period.

1.9 Notice.

The parties agree that for purposes of notice, the names, e-mails, and facsimile numbers to receive notice under this License Agreement may be changed subject to such information being provided to the other party at least ten (10) days prior to the effective date of the change.

2. CONFIDENTIALITY

To the extent that the terms of this License Agreement are confidential and, except as required by law, each of Licensor and Netsphere agree not to disclose the terms of this License Agreement to anyone other than their officers, directors, attorneys, accountants, or pursuant to the formal request of any law enforcement or administrative agency or a subpoena or order of a court, or as necessary to enforce its rights or obligations under this License Agreement (the "Non-Disclosure Obligations"). Furthermore, in the event of any formal request of any law enforcement or administrative agency or a subpoena or order of court, Licensor and Netsphere must use diligent reasonable efforts to limit each disclosure of confidential information and notify the other party prior to disclosure, when permitted by law, so that either (or both) party may seek confidential treatment or a protective order preventing such disclosure. The parties' Non-Disclosure Obligations include, without limitation, refraining from publishing or issuing any press releases, news articles or external bulletins, and refraining from posting any statements on the Internet that are accessible by third parties, or sending any e-mails or other correspondence to a third party regarding the confidential terms of this License Agreement.

3. GENERAL

3.1 No Third Party Beneficiaries.

This License Agreement is made solely for the benefit of the parties to this License Agreement and their respective successors and assigns, and no other person or entity shall have or acquire any right by virtue of this License Agreement

3.2 No Inducement.

No party has been induced to enter into this License Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this License Agreement.

3.3 No Waiver.

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this License Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

3.4 Force Majeure.

If any party delays or fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor, materials or supplies or reasonable substitutes for labor, materials or supplies, governmental restrictions, government regulations, governmental controls, judicial orders, enemy or hostile governmental action, terrorism, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused provided, that the party whose performance is affected by any such event gives the other party written notice thereof within ten (10) business days of such event or occurrence.

3.5 Severability.

If a court or an arbitrator of competent jurisdiction holds any provision of this License Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

3.6 Entire Agreement and Independent Counsel.

This License Agreement, including all terms incorporated by reference, is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding and terminating any prior agreements and communications (both written and oral) regarding such subject matter. This License Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. Each party has been represented by counsel (or had the opportunity for same) and the provisions hereof shall not be construed more harshly against either party as a result of drafting responsibilities. If any action is brought to enforce or interpret the terms of this License Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.7 Independent Contractors.

The parties are independent contractors and not joint venturers. Neither party shall be deemed to be an employee, employer, partner, distributor, joint venturer, agent, or legal representative of the other party hereto for any purpose and neither party hereto shall have any right, power or authority to assume or create any obligation or responsibility on behalf of the other party hereto nor shall this be deemed an exclusive or fiduciary relationship.

3.8 Counterparts.

This License Agreement may be executed in two or more counterparts, each of which shall be an original or faxed copy and all of which together shall constitute one instrument. Facsimile signatures shall have the same force and effect as original signatures.

3.9 Descriptive Headings.

The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this License Agreement.

3.10 Taxes.

Each party shall be responsible for its own tax filings, preparation, and payments as it may relate to their respective value added tax (V.A.T.), federal, state, or local tax or any other tax imposed by any governmental entity with taxing authority related to the respective parties.

3.11 Survival.

Paragraphs 1.2 (with respect to fees incurred as of the date of termination), 1.3 (with respect to fees incurred as of the date of termination), 1.4 (with respect to fees incurred as of the date of termination), 1.5 and 2 shall survive expiration of the Term or earlier termination of this License Agreement.

IN WITNESS WHEREOF, each party through its duly authorized representative has executed this License Agreement as of the Effective Date:

NETSPHERE, INC.

ASIATRUST LIMITED AS TRUSTEE OF
THE VILLAGE TRUST

By: [Signature]
Name: MUNISH KRISHAN
Title: President
Date: 7-9-2010

By: _____
Name:
Title:
Date:

3.7 Independent Contractors.

The parties are independent contractors and not joint venturers. Neither party shall be deemed to be an employee, employer, partner, distributor, joint venturer, agent, or legal representative of the other party hereto for any purpose and neither party hereto shall have any right, power or authority to assume or create any obligation or responsibility on behalf of the other party hereto nor shall this be deemed an exclusive or fiduciary relationship.

3.8 Counterparts.

This License Agreement may be executed in two or more counterparts, each of which shall be an original or faxed copy and all of which together shall constitute one instrument. Facsimile signatures shall have the same force and effect as original signatures.

3.9 Descriptive Headings.

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3.10 Taxes.

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IN WITNESS WHEREOF, each party through its duly authorized representative has executed this License Agreement as of the Effective Date:

NETSPHERE, INC.

By: _____
Name:
Title:
Date:

ASIATRUST LIMITED AS TRUSTEE OF
THE VILLAGE TRUST

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORIZED OFFICER

By: *[Signature]*
Name: LESLEY KATOR & LISA RO
Title:
Date: 9th July, 2010

EXHIBIT C

Form of Pokerstar Security Agreement

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement"), effective as of _____, 2010 (the "Effective Date"), is made by ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands ("Maker"), and DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION ("Payee").

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Maker, Payee and other parties named therein (the "Settlement Agreement"), Maker agreed to make the Additional Payment (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Maker's obligations to make the Additional Payment, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker's right, title and interest in the domain name *pokerstar.com*, which shall be subordinate to the Pokerstar.com License Agreement under the Settlement Agreement ("Pokerstar License");

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Additional Payment, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"**Additional Payment Default**" shall mean Maker's failure to pay the Additional Payment in accordance with the Settlement Agreement, which failure remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker.

"**Collateral**" shall mean all of Maker's right, title and interest in and to the domain name *pokerstar.com* (the "Domain Name"), but Collateral shall not include, and the Payee waives any right to, any Proceeds and Contract Rights, insurance proceeds, unearned premiums, tax refunds, rents, profits and products thereof or any content or other information which may be located at or appear on the website using this Domain Name.

"**Contract Rights**" shall mean any right to payment related to the Collateral.

"**Event of Default**" shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker, or (ii) an Additional Payment Default.

"**GAAP**" shall mean generally accepted accounting principles.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“**Pokerstar Escrow Agreement**” shall have the meaning attributed to such term in the Settlement Agreement.

“**Proceeds**” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“**Secured Obligations**” shall mean the obligation of Maker to pay the Additional Payment and the obligations of Maker under this Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“**UCC**” shall mean the Uniform Commercial Code as in effect in the State of Texas.

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral which shall be subordinate to the Pokerstar.com License. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Agreement (including, without limitation, in a bankruptcy proceeding) except that such security interests and liens shall be subordinate to the Pokerstar.com License.

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Additional Payment remains outstanding and except as otherwise permitted under this Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral; provided, however that (i) Maker may, without Payee’s consent, sell, transfer, assign or otherwise dispose of the Collateral if the proceeds of such transaction are used to pay the Additional Payment in full, and (ii) Maker may from time to time, without Payee’s consent, sublease and/or sublicense the rights to the Pokerstar.com License (but not re-register the Collateral in violation of the Settlement Agreement) so long as such sublease or sublicense remains subject to this Agreement and subordinate to Payee’s lien on the Collateral.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Agreement:

(i) Organization and Corporate Power. Maker is a trust validly existing and in good standing under the laws of the Cooks Islands.

(ii) Authorization; No Breach. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker's capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Agreement, unless and until the Collateral is transferred to Payee pursuant to the terms of the Pokerstar Escrow Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Agreement or otherwise; and (iii) Payee's exercise of its rights under this Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Agreement (i) the address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Cook Islands is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Agreement (i) none of its Collateral is covered by any certificate of title, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations and the Pokerstar.com License.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations and the Pokerstar.com License), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, which is subordinate to the Pokerstar.com License, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Except for expenditures of cash in the ordinary course of business or as otherwise permitted under Section 3(a) of this Agreement, Maker shall not sell, transfer, assign, convey or otherwise dispose of, or extend, amend, terminate or otherwise modify any material term or

provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties. Payee shall be deemed to have exercised reasonable care in the preservation and custody of the portion of the Collateral as may be in Payee's possession if Payee takes such action as Maker shall reasonably request in writing; provided, such requested action shall not, in the judgment of Payee, impair Payee's prior security interest in such Collateral or its rights in or the value of such Collateral and, provided further, that such written request is received by Payee in sufficient time to permit Payee to take the requested action.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect the Collateral.

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor, except with respect to the Pokerstar.com License, to which its security interest is subordinate.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then so long as such Event of Default exists, (i) if the Event of Default is an Additional Payment Default, then Payee's sole remedy for such Additional Payment Default shall be to pursue a final, non-appealable judgment to cause the transfer of the Domain Name in accordance with the provisions of the Pokerstar Escrow Agreement, and (ii) if the

Event of Default is other than an Additional Payment Default, then Payee's sole remedy shall be to seek specific performance, including, but not limited to, preliminary injunctive relief and any attorneys fees permitted pursuant to subsection 14(f), by Maker of the warranty, covenant, agreement or term breached, it being understood in each instance referenced in clauses (i) and (ii) above that Payee shall not have, nor be entitled to, any other right or remedy under this Agreement, the UCC or any other applicable law.

12. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, or the Pokerstar Escrow Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Agreement by Payee.

(b) To the extent that Maker makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Maker or a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party..

13. Defeasance. Upon payment in full of the Secured Obligations, this Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 13 which shall survive), and in such event Payee shall, at Payee's expense and without recourse, representation or warranty, redeliver and reassign to Maker the Collateral, terminate the Pokerstar Escrow Agreement in accordance with its terms and take all action necessary to terminate Payee's security interest in the Collateral. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

EXECUTION VERSION

(c) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(d) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS.

(e) This Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

(f) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

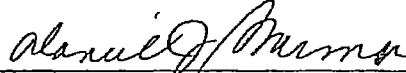
(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

[Remainder of page intentionally left blank]

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.



DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:

Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST

By: Asiatrusted Limited, Its Trustee

By: _____

Name: _____

Title: _____

Address:

Asiatrusted Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:
Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST

By: Asiatrusted Limited, Its Trustee

By: ATP DIRECTORS LIMITED
BY ITS DULY AUTHORISED OFFICER
LESLEY KAITOA LISA IRO
Name: LESLEY KAITOA LISA IRO
Title: _____

Address:
Asiatrusted Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXHIBIT D

Form of Pokerstar Escrow Agreement

DOMAIN NAME ESCROW AGREEMENT

ESCROW NO. _____
BY AND AMONG
DANIEL J. SHERMAN, TRUSTEE,
ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST
AND GRACY TITLE COMPANY

TO: Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer
Telephone: (512) 322-8728
Fax: (512) 472-3101
Email: elizabeth@gracytitle.com

THIS DOMAIN NAME ESCROW AGREEMENT ("Agreement") is made and entered into effective as of _____, 2010 (the "Effective Date"), by and among DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION (the "Chapter 11 Trustee"), ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST ("Maker") and GRACY TITLE COMPANY, a Texas corporation ("Escrow Agent"). The parties hereby agree as follows:

1. The Chapter 11 Trustee, Asiatruster and other parties named therein entered into that certain Mutual Settlement and Release Agreement dated July 2, 2010 (the "Settlement Agreement"), which provides for Maker to execute and deliver the Pokerstar Assignment (as defined in the Settlement Agreement) in escrow to secure Maker's payment of the Additional Payment (as defined in the Settlement Agreement).

2. Escrow Agent has agreed to serve in a depository capacity and as a stakeholder only, on and subject to the terms and provisions set forth in this Agreement.

3. In accordance with the Settlement Agreement, Maker will deposit in escrow, and the Escrow Agent agrees to receive and hold, the Pokerstar Assignment for the benefit of the Chapter 11 Trustee.

4. Upon receipt of (i) Maker's dated and signed notice in the form attached hereto as Schedule 1 (the "Default Notice") and (ii) a judgment ("Judgment") from either the U.S. Bankruptcy Court for the Northern District of Texas or the U.S. District Court for the Northern District of Texas, which judgment the Chapter 11 Trustee represents to be a final and non-appealable judgment, ordering the Escrow Agent to date and deliver the Pokerstar Assignment to the Chapter 11 Trustee, then (provided Maker has not objected to delivery of the Assignment by written notice delivered the Chapter 11 Trustee

EXECUTION VERSION

and Escrow Agent within ten (10) business days after the date of the Default Notice on the grounds that the subject judgment is not final and non-appealable), Escrow Agent agrees, promptly after expiration of the subject ten (10) business day period, to date the Assignment and deliver it to Chapter 11 Trustee. Provided that if Escrow Agent receives a dated and signed release request in the form attached hereto as Schedule 2 (the "Release Notice"), Escrow Agent shall promptly return the Assignment to Maker.

5. The parties hereto recognize, acknowledge, covenant and agree that the following terms and provisions shall control with respect to the rights, privileges, duties, liabilities and immunities of Escrow Agent hereunder:

(a) Escrow Agent is acting solely in the role of a depository hereunder.

(b) Escrow Agent shall not be responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the subject matter of the escrow hereby established, or any portion thereof, or for the form or execution thereof, or for the identity or authority of any person executing or depositing the same.

(c) Escrow Agent is hereby authorized to rely upon, and shall be protected in acting upon, any written notice, statement, waiver, consent, certificate, affidavit, receipt, authorization, power of attorney or other instrument or document which Escrow Agent in good faith believes to be genuine and what it purports to be.

(d) In accepting any documents delivered to Escrow Agent hereunder, it is agreed and understood that Escrow Agent will not be called upon to construe any contract, instrument or document deposited herewith or submitted hereunder, but only to follow the specific instructions provided for pursuant to this Agreement.

(e) Except for this Agreement, Escrow Agent is not a party to, and shall not be bound by, any agreements by and among Chapter 11 Trustee and Maker.

(f) Escrow Agent shall not be liable for anything which it may do or refrain from doing in connection herewith, except due directly to its own negligence or willful misconduct.

(g) In the event of any disagreement between any of the parties to this Agreement, or between them or either or any of them and any other person or party, resulting in adverse and/or conflicting claims or demands being made in connection with the subject matter of this escrow, or in the event that Escrow Agent, in good faith, is in doubt as to what action it should take hereunder, Escrow Agent may, in its sole discretion, refuse to comply with any claims or demands made upon it, or refuse to take any other action hereunder, or interplead this agreement into the U.S. District Court for the Northern District of Texas, so long as such disagreement continues or such doubt exists, and in such event Escrow Agent shall not be or become liable in any way or to any person or party for its failure or refusal to act, and Escrow Agent shall be entitled to continue to so refrain from acting until (i) the rights of all interested parties shall have been fully and finally adjudicated by either the U.S. Bankruptcy Court for the Northern District of Texas or the U.S. District Court for the Northern District of Texas or (ii) all differences shall have been adjusted and all doubt resolved by agreement among all of the interested parties and Escrow Agent shall have been notified thereof in writing signed by all such parties.

6. For its ordinary services hereunder, Escrow Agent shall be entitled to a fee of \$100.00, payable by Maker concurrently with Escrow Agent's execution hereof.

EXECUTION VERSION

7. Any notice, report or demand required, permitted or desired to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes on the day sent by nationally recognized overnight courier or when telefaxed by confirmed facsimile, addressed to (i) Escrow Agent at the address on the first page hereof, and (ii) the Chapter 11 Trustee and Asiatrust as follows:

If to Maker: Asiitrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands
Phone: 011-682-2338
Fax: 011-682-2338

If to the Chapter 11 Trustee: Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

8. Facsimile signatures appearing hereon shall be deemed an original and this document may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9. This Agreement constitutes the entire agreement and understanding among Maker, the Chapter 11 Trustee and Escrow Agent with respect to the Assignment. No subsequent alteration, amendment, change, deletion or addition to this Agreement shall be binding or effective unless the same shall be in writing and signed by all parties to this Agreement.

10. This Agreement shall be governed by and construed under and in accordance with the laws of the State of Texas, without resort to conflicts of law principles.

11. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

12. Time is of the essence with respect to this Agreement.

EXECUTION VERSION

MAKER:

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORISED OFFICER

By: _____

Name: LESLEY KATO # LISA 120

Title: _____

CHAPTER 11 TRUSTEE:

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

EXECUTION VERSION

MAKER:

THE VILLAGE TRUST

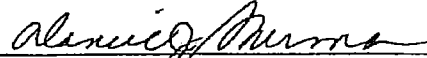
By: Asiatrusted Limited, Its Trustee

By: _____

Name: _____

Title: _____

CHAPTER 11 TRUSTEE:



DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

ESCROW RECEIPT

Escrow Agent hereby acknowledges receipt of this Agreement and of the original of the Pokerstar Assignment referenced therein and agrees to hold and dispose of the same in accordance with the terms and provisions of this Agreement.

Dated: 8/13, 2010

ESCROW AGENT:

Gracy Title Company

By _____

Elizabeth Young

Sr. Commercial Escrow Officer

SCHEDULE 1 TO EXHIBIT D - ESCROW AGREEMENT

Form of Default Notice

_____, 20__

**BY CERTIFIED MAIL, RETURN
RECEIPT REQUESTED**

Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer

RE: Escrow No. _____ ("Escrow") by and between Daniel J. Sherman, Trustee (the "Chapter 11 Trustee"), Asiatrust Limited as Trustee of the Village Trust ("Asiatrust") and Gracy Title Company ("Escrow Agent")

Dear Ms. Young:

Pursuant to the referenced Escrow, the Chapter 11 Trustee hereby (i) advises Escrow Agent that the _____ [*name of court issuing order*] has issued the attached judgment ("Judgment") ordering Escrow Agent to date and deliver the Pokerstar Assignment to the Chapter 11 Trustee; (ii) represents to Escrow Agent that the Judgment is final and non-appealable; and (iii) instructs Escrow Agent to take the following action on the eleventh (11th) business day after the date Escrow Agent receives this notice:

1. Date the Pokerstar Assignment as of the date of Escrow Agent's receipt of this notice;
2. Mail the Assignment to the Chapter 11 Trustee by certified mail, return receipt requested, to the following address:

Daniel J. Sherman, Trustee for Ondova Limited
Company
509 N. Montclair Avenue
Dallas, Texas 75208

3. Mail a copy of this notice and of Escrow Agent's transmittal pursuant to Section 2 above (inclusive of a copy of the dated Assignment) to Asiatrust by certified mail, return receipt requested, to the following addresses:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXECUTION VERSION

Sincerely,

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

cc: Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659
(via certified mail, return receipt requested)

SCHEDULE 2 TO EXHIBIT D - ESCROW AGREEMENT

Form of Request Notice

_____, 20__

**BY CERTIFIED MAIL, RETURN
RECEIPT REQUESTED**

Gracy Title Company
100 Congress Avenue, Suite 100
Austin, Texas 78701
Attn: Elizabeth Young
Senior Commercial Escrow Officer

RE: Escrow No. _____ ("Escrow") by and between Daniel J. Sherman, Trustee (the "Chapter 11 Trustee"), Asiatrust Limited as Trustee of the Village Trust ("Asiatrust") and Gracy Title Company ("Escrow Agent")

Dear Ms. Young:

Pursuant to the referenced Escrow, the Chapter 11 Trustee and Asiatrust hereby (i) advise Escrow Agent that Asiatrust has satisfied its obligations pursuant to that certain Security Agreement dated _____, 2010, from Asiatrust, as Maker, and the Chapter 11 Trustee, as Payee, and (ii) instruct Escrow Agent to promptly return the Pokerstar assignment to Asiatrust by certified mail, return receipt requested, to the following address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

Sincerely,

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

cc: Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659
(via certified mail, return receipt requested)

EXHIBIT E

Form of Pokerstar Assignment

ASSIGNMENT

STATE OF _____
COUNTY OF _____

§
§
§

KNOW ALL BY THESE PRESENTS

WHEREAS, THE VILLAGE TRUST, a Cook Islands trust ("Assignor"), is the owner and holder of the domain name *pokerstar.com* (the "Name"); and

WHEREAS, Assignor desires to sell, assign, and transfer the Name to DANIEL J. SHERMAN, CHAPTER 11 TRUSTEE FOR ONDOVA LIMITED COMPANY ("Assignee"); and

WHEREAS, Assignee desires to acquire the Name from Assignor;

NOW, THEREFORE, FOR VALUE RECEIVED:

1. Assignor hereby sells, assigns and transfers the name, and all right, title and interest of Assignor in and to the Name, subject to the Pokerstar.com License Agreement under the Settlement Agreement, unto Assignee, its successors and assigns, forever, and Assignor covenants and agrees, on Assignor's behalf, and on behalf of Assignor's successors and assigns, to warrant and forever defend the title to the Name, and all such right, title and interest, against the claims and demands of all persons.

2. Assignor hereby (i) represents to Assignor that it (a) owns the Name free and clear of any liens or encumbrances, except for the Pokerstar.com License Agreement under the Settlement Agreement, (b) has full power and authority to sell, assign and transfer the Name to Assignee pursuant to this Assignment, and (c) has taken all action required for the effectuation of the sale, assignment and transfer of the Name to Assignee pursuant to this Assignment.

3. The undertakings and covenants contained in this Assignment shall be binding upon, and inure to the benefit of, Assignee, its successors and assigns.

4. This Assignment shall be governed by and construed under the substantive laws of the State of Texas, without resort to conflict of laws principles.

EXECUTION VERSION

EXECUTED on the ___ day of _____, 2010.

ASSIGNOR:

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORIZED OFFICER

By: [Signature]

Name: LEISLEY KATOA - LISA IRO

Title: _____

STATE OF RAROTONGA §
COUNTY OF COOK ISLANDS §

This instrument was acknowledged before me on 9th July, 2010, by Lesley Katoa & Lisa Iro of Asiatrust Limited, Trustee of The Village Trust, a Cook Islands trust, on behalf of said trust.



[Signature]
Notary Public, State of KAROLINGA

EXHIBIT F

Form of Blue Horizon Security Agreement

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement"), effective as of _____, 2010 (the "Effective Date"), is made by ASIATRUST LIMITED AS TRUSTEE OF THE VILLAGE TRUST, a trust organized and operating under the laws of the Cook Islands ("Maker"), and DANIEL J. SHERMAN IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF ONDOVA LIMITED COMPANY D/B/A COMPANA, LLC, A TEXAS LIMITED LIABILITY COMPANY, DEBTOR IN BANKRUPTCY CASE NO. 09-34784-SGJ-11 PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION ("Payee").

RECITALS:

WHEREAS, pursuant to that certain Mutual Settlement and Release Agreement dated on or about the Effective Date among Maker, Payee and other parties named therein (the "Settlement Agreement"), Maker agreed to make the Monthly Payments (as defined in the Settlement Agreement); and

WHEREAS, to secure the payment and performance of Maker's obligations to make the Monthly Payments, Maker has agreed to grant Payee a first lien and security interest in and to all of Maker's revenues generated from monetization of the domain names in the Blue Horizon Portfolio (as defined below);

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Maker, and to induce Payee to accept the Monthly Payments, the parties hereto agree as follows:

1. Definitions. Capitalized terms shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"**Blue Horizon Portfolio**" shall mean any and all domain names that previously were registered through Ondova Limited Company, exclusive of the Even Group Portfolio (as defined in the Settlement Agreement), the Odd Group Portfolio (as defined in the Settlement Agreement) and any domain name not registered through or at Ondova Limited Company as of February 22, 2010, and exclusive of *pokerstar.com*, *servers.com*, the Excluded Disputed Domains (as defined in the Settlement Agreement), any Disposed Names (as defined in the Settlement Agreement) and any Released Names (as defined in the Settlement Agreement).

"**Collateral**" shall mean all of Maker's right, title and interest in and to the revenues generated from monetization of the domain names Blue Horizon Portfolio.

"**Contract Rights**" shall mean any right to payment related to the Collateral.

"**Event of Default**" shall mean (i) any breach by Maker of any warranty, covenant, agreement or term by Maker under this Agreement, in each instance which remains uncured for more than thirty (30) days after written notice thereof by Payee to Maker, or (ii) Maker's failure to timely pay a Monthly Payment.

“GAAP” shall mean generally accepted accounting principles.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“Proceeds” shall mean all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

“Secured Obligations” shall mean the obligation of Maker to pay the Monthly Payments and the obligations of Maker under this Agreement, as the same may be amended, modified or supplemented from time to time, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part.

“UCC” shall mean the Uniform Commercial Code as in effect in the State of Texas.

2. Grant of the Security Interest.

(a) Maker hereby grants to and creates in favor of Payee a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral. Maker’s grant of such security interest and lien as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof.

(b) In furtherance of the intent of the parties hereto, and notwithstanding any other provision of this Agreement to the contrary, the security interests and liens granted hereunder shall be treated as first priority security interests and liens granted to Payee as the Payee under this Agreement (including, without limitation, in a bankruptcy proceeding).

3. Maker’s Covenants, Representations, Warranties and Continuing Obligations.

(a) Restrictions. So long as the Monthly Payments or any portion thereof remains outstanding and except as otherwise permitted under this Agreement, Maker shall not, without the prior written consent of Payee, sell, transfer, assign or otherwise dispose of the Collateral.

(b) Maker Representations and Warranties. Maker hereby represents and warrants that as of the date of this Agreement:

(i) Organization and Corporate Power. Maker is a trust validly existing and in good standing under the laws of the Cooks Islands.

(ii) Authorization: No Breach. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Maker. The execution and delivery by Maker of this Agreement, and the fulfillment of and compliance with the respective terms hereof by Maker, do not and shall not (A) conflict with or result in a breach of any of the terms, conditions or provisions of, (B) constitute a default under, (C) result in the creation of any lien, security interest, charge or encumbrance upon Maker’s capital stock or assets pursuant to, (D) give any third party the right to modify, terminate or accelerate any material obligation under, (E) result in a material violation of, or (F) require any authorization, consent, approval, exemption or

other action by or notice or declaration to, or filing with, any court or administrative or governmental body or agency pursuant to, the charter or bylaws of Maker, or any law or statute or rule, regulation, order, writ, judgment, injunction or decree of any court or administrative governmental body or agency to which Maker is subject, or any material agreement to which Maker is a party.

(iii) Maker's Continuing Obligations. Notwithstanding any provision hereof to the contrary, during the term of this Agreement, (i) Maker shall remain liable under all contracts and agreements included in the Collateral and shall pay, perform and observe all of its liabilities and obligations thereunder; (ii) Payee shall have no obligation to pay, perform or observe any of Maker's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this Agreement or otherwise; and (iii) Payee's exercise of its rights under this Agreement or otherwise shall not release Maker from any of its liabilities or obligations under such contracts and agreements.

4. Addresses and Locations. Maker represents and warrants that as of the date of this Agreement (i) the address of Maker set forth on the signature page hereof is the address of Maker's chief executive office and the address at which Maker keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral, and (ii) Cook Islands is the jurisdiction of Maker's incorporation.

5. Filing Requirements; Other Financing Statements. Maker represents and warrants that as of the date of this Agreement (i) none of its Collateral is covered by any certificate of title, and (ii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements evidencing liens securing the Secured Obligations.

6. Rights in Collateral.

(a) Maker represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances (except for liens securing the Secured Obligations), and Maker shall defend such title against the claims and demands of all other Persons. Maker represents and warrants that this Agreement creates a valid security interest in the Collateral which, upon due filing of proper financing statements shall constitute a valid first priority perfected lien on and security interest in the Collateral, subject only to liens securing the Secured Obligations and liens which are accorded priority by statute.

(b) Maker shall not sell, transfer, assign, convey or otherwise dispose of, or extend, amend, terminate or otherwise modify any material term or provision of, any Collateral, any interest therein, nor waive or release any right with respect thereto, without the prior written consent of Payee, which consent shall not be unreasonably withheld, delayed or denied.

(c) Maker assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties. Payee shall be deemed to have exercised reasonable care in the preservation and custody of the portion of the Collateral as may be in Payee's possession if Payee takes such action as Maker shall reasonably request in writing; provided, such requested action shall not, in the judgment of Payee, impair Payee's prior security interest in such Collateral or its rights in or the value of such Collateral and, provided further, that such written request is received by Payee in sufficient time to permit Payee to take the requested action.

7. Records. Maker shall at all times maintain reasonably accurate and complete records with respect to each item and category of the Collateral.

8. Taxes and Charges. Maker shall pay and discharge all taxes, levies and other impositions levied on any Collateral, separate and apart from Maker's other assets and in accordance with generally accepted accounting principles, consistently applied, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided, such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded on Maker's financial records). If Maker shall fail to do so, Payee may (but shall not be obligated to) pay such taxes, levies or impositions for the account of Maker (without waiving or releasing any obligation or default by Maker hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand with interest accruing thereon at the rate provided in the Settlement Agreement.

9. Inspection. Payee and its officers, employees and agents, at Payee's sole expense and in no event more than one (1) time during any twelve-month period, shall have the right at all reasonable times upon at least ten (10) business days prior written notice, to inspect records relating to the Collateral (including, without limitation, monetization agreements with third parties).

10. Preservation and Protection of Security Interest. Maker shall diligently preserve and protect Payee's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid, and for such purposes, Maker shall from time to time at Payee's written request and at Payee's expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements) as Payee may deem necessary or advisable from time to time to perfect and continue perfected such security interests. Maker shall do all such other reasonable acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as Payee may deem reasonably necessary from time to time to perfect and preserve the priority of Payee's security interest in the Collateral, as a perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor.

11. Remedy on Event of Default. If any Event of Default shall occur and be continuing beyond the expiration of any applicable notice and cure period, then Payee shall have the right to (i) file the Agreed Order (as defined in the Settlement Agreement), and (ii) require any monetizer of the Collateral to directly pay such revenue to Payee.

12. Continuing Validity of Obligations.

(a) Maker's obligations hereunder shall continue in full force and effect as long as the Secured Obligations or any part thereof remain outstanding and unpaid and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of any of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to Maker, (iv) any amendment to or modification of the terms of the Secured Obligations or any part thereof, or the Settlement Agreement, (v) any substitution, exchange or release of, or failure to preserve, perfect or protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the

EXECUTION VERSION

benefit of creditors or similar proceeding commenced by or against Maker, or (vii) any other matter or thing whatsoever whereby the agreements and obligations of Maker hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. Maker hereby waives notice of the acceptance of this Agreement by Payee.

(b) To the extent that Maker makes a payment or payments to Payee, which payment or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Maker or a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment, the Secured Obligations or portion thereof intended to be satisfied and this Agreement shall be revived and continue in full force and effect, as if such payment had not been received by such party.

13. Defeasance. Upon payment in full of the Secured Obligations, this Agreement shall terminate automatically and be of no further force and effect (except for the provisions of this Section 13 which shall survive), and in such event Payee shall, at Payee's expense and without recourse, representation or warranty, redeliver and reassign to Maker the Collateral and take all action necessary to terminate Payee's security interest in the Collateral. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14. Amendments, Waivers, Notices, Governing Law, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by Maker and Payee.

(b) Except as expressly provided otherwise in this Agreement, all notices and other communications hereunder shall be made as set forth in the Settlement Agreement.

(c) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(d) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS.

(e) This Agreement is entered into in connection with and subject to the Settlement Agreement. Notwithstanding any provision hereof to the contrary, in the event of any claimed Event of Default hereunder, Maker reserves, and shall have, all rights, offsets, claims and defenses to such claimed Event of Default which Maker is entitled to assert for any claimed breach of the Settlement Agreement, to the same extent as if such provisions of the Settlement Agreement had been expressly set forth herein.

(f) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

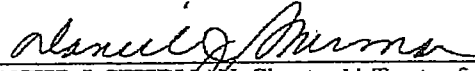
EXECUTION VERSION

(g) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

(h) In the event of a monetary default hereunder, if a party fails to timely pay monies due another party more than two (2) times in any twelve (12) month period, for each subsequent default during the subject twelve (12) month period, the defaulting party shall pay the non-defaulting party(ies) two hundred fifty dollars (\$250), in the aggregate, as a penalty and not as interest.

(i) Maker may prepay the Monthly Payments at any time, without penalty.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.



DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:

Daniel J. Sherman, Trustee
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST

By: Asiatrust Limited, Its Trustee

By: _____

Name: _____

Title: _____

Address:

Asiatrust Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

DANIEL J. SHERMAN, Chapter 11 Trustee for
Ondova Limited Company

Address:
Daniel J. Sherman, Trustee:
509 N. Montclair Avenue
Dallas, Texas 75208

and

Raymond J. Urbanik
Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street
Suite 3800
Dallas, Texas 75201-6659

THE VILLAGE TRUST

By: Asiatrusted Limited, Its Trustee

By: **ATP DIRECTORS LIMITED**
BY ITS DULY AUTHORIZED OFFICER
LESLEY KAPOA / LISA IRO
Title: _____

Address:
Asiatrusted Limited
Level 2 BCI House
P.O. Box 822
Rarotonga
Cook Islands

EXHIBIT G

Form Of Agreed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	CASE NO. 09-34784-SGJ-11
ONDOVA LIMITED COMPANY,	§	
	§	CHAPTER 11
DEBTOR.	§	
	§	

AGREED ORDER DIRECTING PAYMENT OF MONETIZATION FUNDS TO TRUSTEE

At Dallas, Texas, in said District, pursuant to the Order entered on July __, 2010, approving the Trustee's Motion for Approval of Settlement Agreement Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure ("Settlement Motion") filed on July 2, 2010 by Daniel J. Sherman, Chapter 11 Trustee of Ondova Limited Company ("Trustee"), in the event of default of payment of the provisions of the Mutual Settlement and Release Agreement executed on July 2, 2010 ("Settlement Agreement") the Trustee is entitled to receive revenues generated from the monetization of attached domain names (the "Domain Names") directly from any domain name monetizer used by the Village Trust, Javelina, LLC, Novo Point, LLC and/or Diamond Key, LLC.

The Trustee has not received payments pursuant to the Settlement Agreement and accordingly, _____ is directed to pay all revenues generated from the monetization if the Domain Name from Novo Point, LLC, Javelina, LLC and Diamond Key, LLC directly to Daniel J. Sherman in the amount of \$_____.

It is so ORDERED.

END OF ORDER

AGREED TO:

MUNSCH HARDT KOPF & HARR, P.C.

By: Raymond J. Urbanik

Raymond J. Urbanik
3800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201-6659
Telephone: (214) 855-7500
Facsimile: (214) 855-7584

ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

GARY G. LYON

By: _____

Gary G. Lyon
Post Office Box 1227
Anna, Texas 75409
Telephone: (972) 977-7221
Facsimile: (214) 831-0411

ATTORNEY FOR JEFF BARON

HOHMANN, TAUBE & SANDERS, LLP

By: _____

Eric Taube
100 Congress Avenue, 18th Floor
Austin, Texas 75701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248

ATTORNEYS FOR THE VILLAGE TRUST,
JAVELINA, LLC, NOVO POINT, LLC AND
DIAMOND KEY, LLC

AGREED TO:

MUNSCH HARDT KOPF & HARR, P.C.

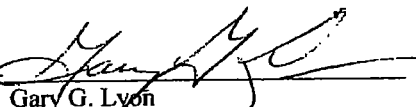
By: _____

Raymond J. Urbanik
3800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201-6659
Telephone: (214) 855-7500
Facsimile: (214) 855-7584

ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

GARY G. LYON

By: _____


Gary G. Lyon
Post Office Box 1227
Anna, Texas 75409
Telephone: (972) 977-7221
Facsimile: (214) 831-0411

ATTORNEY FOR JEFF BARON

HOHMANN, TAUBE & SANDERS, LLP

By: _____

Eric Taube
100 Congress Avenue, 18th Floor
Austin, Texas 75701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248

ATTORNEYS FOR THE VILLAGE TRUST,
JAVELINA, LLC, NOVO POINT, LLC AND
DIAMOND KEY, LLC

AGREED TO:

MUNSCH HARDT KOPF & HARR, P.C.

By: _____

Raymond J. Urbanik
3800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201-6659
Telephone: (214) 855-7500
Facsimile: (214) 855-7584

ATTORNEYS FOR DANIEL J. SHERMAN,
CHAPTER 11 TRUSTEE

GARY G. LYON

By: _____

Gary G. Lyon
Post Office Box 1227
Anna, Texas 75409
Telephone: (972) 977-7221
Facsimile: (214) 831-0411

ATTORNEY FOR JEFF BARON

HOHMANN, TAUBE & SANDERS, LLP

By:  _____

Eric Taube
100 Congress Avenue, 18th Floor
Austin, Texas 75701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248

ATTORNEYS FOR THE VILLAGE TRUST,
JAVELINA, LLC, NOVO POINT, LLC AND
DIAMOND KEY, LLC

EXHIBIT H

Form of Agreed Order of Dismissal/Joint Stipulation in the Texas Case

CAUSE NO. 06-11717-C

<p>ONDOVA LIMITED COMPANY, ET AL, PLAINTIFFS,</p> <p>VS.</p> <p>MANILA INDUSTRIES, INC., ET AL, DEFENDANTS.</p>	<p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p>	<p>IN THE DISTRICT COURT</p> <p>68th JUDICIAL DISTRICT</p> <p>DALLAS COUNTY, TEXAS</p>
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STIPULATED DISMISSAL WITH PREJUDICE

Plaintiffs, Ondova Limited Company d/b/a Compana, LLC and Jeffrey Baron (collectively "Plaintiffs"), filed the Complaint in Cause No. 06-11717-C against Defendants, Munish Krishan, Manila Industries, Inc., Netsphere, Inc., HCB, LLC, Realty Investment Management, LLC, Simple Solutions, LLC, Denis Kleinfeld, Four Points Management, LLLP and Marshden, LLC (collectively "Defendants"). CK Ventures, Inc. d/b/a Hitfarm.com ("Hitfarm") has intervened in this matter and Quantec LLC ("Quantec"), Novo Point LLC ("Novo Point"), and Iguana Consulting LLC ("Iguana") have sought to intervene (Hitfarm, Quantec, Novo Point, and Iguana are herein collectively referred to as the "Intervenors"). Plaintiffs have now agreed upon a resolution of this matter with Defendants and Intervenors prior to a trial on the merits. Plaintiffs, Defendants and Intervenors hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiffs, Defendants and Intervenors are dismissed with prejudice to the right of Plaintiffs, Defendants and Intervenors to file or refile same or any part thereof against any and/or all of the parties herein.
3. Each party shall bear its own costs and attorneys' fees.

EXECUTION VERSION

4. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p><i>Jeffrey Baron</i> Jeffrey Baron Date: <u>8</u>, 2010</p>	<p>Ondova Limited Company By: <u>Devidar Trust, Managing Member</u> Signed: <i>Daniel J. Sherman</i> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Trustee in Bankruptcy</u> Date: <u>8/30</u>, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <i>Daniel J. Sherman</i> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Trustee</u> Date: <u>8/13</u>, 2010</p>	<p>Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Manlla Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>

EXECUTION VERSION

4. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>_____ <u>Jeffrey Baron</u> Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Quantec LLC ATP NOMINEES LIMITED BY ITS DULY AUTHORIZED OFFICER Signed: _____ Name: <u>ANGELA POPE & JOCELYN KATELA</u> Title: _____ Date: <u>9th July</u>, 2010</p>
<p>Novo Point LLC ATP NOMINEES LIMITED BY ITS DULY AUTHORIZED OFFICER Signed: _____ Name: <u>ANGELA POPE & JOCELYN KATELA</u> Title: _____ Date: <u>9th July</u>, 2010</p>	<p>Iguana Consulting LLC ATP NOMINEES LIMITED BY ITS DULY AUTHORIZED OFFICER Signed: _____ Name: <u>ANGELA POPE & JOCELYN KATELA</u> Title: _____ Date: <u>9th July</u>, 2010</p>
<p>Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Manila Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>

EXECUTION VERSION

4. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>_____ Jeffrey Baron Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <i>Daniel J. Sherman</i> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 trustee</u> Date: <u>8/13</u>, 2010</p>	<p>Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Netsphere, Inc. Signed: <i>John MacPete</i> Name: <u>John MacPete</u> Title: <u>Attorney for Netsphere</u> Date: <u>26 August</u>, 2010</p>	<p>Manila Industries, Inc. Signed: <i>John MacPete</i> Name: <u>John MacPete</u> Title: <u>Attorney for Manila</u> Date: <u>26 August</u>, 2010</p>


EXECUTION VERSION

4. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>_____ Jeffrey Baron Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <u><i>Daniel J. Sherman</i></u> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Trustee</u> Date: <u>8/13</u>, 2010</p>	<p>Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Netsphere, Inc. Signed: <u><i>Munish Krishan</i></u> Name: <u>Munish Krishan</u> Title: <u>President</u> Date: <u>8/26</u>, 2010</p>	<p>Manila Industries, Inc. Signed: <u><i>Munish Krishan</i></u> Name: <u>Munish Krishan</u> Title: <u>President</u> Date: <u>8/26</u>, 2010</p>

EXECUTION VERSION

 <u>Munish Krishan</u> Date: <u>8/26</u> , 2010	CK Ventures, Inc. d/b/a Hitfarm.com Signed: _____ Name: _____ Title: _____ Date: _____, 2010
HCB, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010	Realty Investment Management, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010
Simple Solutions, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010	Four Points Management, LLLP Signed: _____ Name: _____ Title: _____ Date: _____, 2010
Marshden, LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010	_____ <u>Denis Kleinfeld</u> Date: _____, 2010

EXECUTION VERSION

<p>Munish Krishan</p> <p>Date: _____, 2010</p>	<p>CK Ventures, Inc. d/b/a Hitfirm.com</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>
<p>HCB, LLC <i>Four Points by Marshden</i></p> <p>Signed: <i>[Signature]</i></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager Marshden</u></p> <p>Date: <u>28 Aug</u>, 2010</p>	<p><i>Four Points Management, LLC</i></p> <p>Signed: <i>[Signature]</i></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>MANAGER MARSHDEN</u></p> <p>Date: <u>28 Aug</u>, 2010</p>
<p>Simple Solutions LLC <i>Four Points by Marshden</i></p> <p>Signed: <i>[Signature]</i></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager Marshden</u></p> <p>Date: <u>28 Aug</u>, 2010</p>	<p>Four Points Management, L.L.P. <i>by Marshden</i></p> <p>Signed: <i>[Signature]</i></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager Marshden</u></p> <p>Date: <u>28 Aug</u>, 2010</p>
<p>Marshden, LLC</p> <p>Signed: <i>[Signature]</i></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager</u></p> <p>Date: <u>28 Aug</u>, 2010</p>	<p><i>[Signature]</i></p> <p><u>Denis Kleinfeld</u></p> <p>Date: <u>28 Aug</u>, 2010</p>

EXECUTION VERSION

<p>Munish Krishan</p> <p>Date: _____, 2010</p>	<p>CKV Ventures, Inc. d/b/a Hitfarm.com</p> <p>Signed: <u>[Signature]</u></p> <p>Name: <u>CHRIS SKINNER</u></p> <p>Title: <u>DIRECTOR</u></p> <p>Date: <u>31 August</u>, 2010</p>
<p>HCB, LLC <u>by Denis Kleinfeld</u></p> <p>Signed: <u>[Signature]</u></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager Marshden</u></p> <p>Date: <u>28 Aug</u>, 2010</p>	<p>Realty Investment Management, LLC</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>
<p>Simple Solutions LLC <u>by Denis Kleinfeld</u></p> <p>Signed: <u>[Signature]</u></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager Marshden</u></p> <p>Date: <u>28 Aug</u>, 2010</p>	<p>Four Points Management, L.L.P. <u>By Marshden</u></p> <p>Signed: <u>[Signature]</u></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager Marshden</u></p> <p>Date: <u>28 Aug</u>, 2010</p>
<p>Marshden, LLC</p> <p>Signed: <u>[Signature]</u></p> <p>Name: <u>Denis Kleinfeld</u></p> <p>Title: <u>Manager</u></p> <p>Date: <u>28 Aug</u>, 2010</p>	<p><u>[Signature]</u></p> <p><u>Denis Kleinfeld</u></p> <p>Date: <u>28 Aug</u>, 2010</p>

SO ORDERED:

Signed _____, 2010.

HONORABLE DISTRICT COURT JUDGE
MARTIN HOFFMAN

EXHIBIT I

Form of Agreed Order of Dismissal/Joint Stipulation in the VI Case

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS
DIVISION OF ST. THOMAS AND ST. JOHN**

SIMPLE SOLUTIONS, LLC,)	
)	
Plaintiff,	)	No. 3:07-CV-123
)	
v.	)	ACTION FOR BREACH OF CONTRACT,
	)	BREACH OF FIDUCIARY DUTY, AND
ONDOVA LIMITED CO., LLC, d/b/a )	)	FRAUD
COMPANA, LLC,)	
)	
Defendant.)	
_____))	

STIPULATED DISMISSAL WITH PREJUDICE

Plaintiff, Simple Solutions, LLC, filed the Complaint in Civil No. 3:07-CV-123 against Defendant, Ondova Limited Company d/b/a Compana, LLC. Plaintiff has now agreed upon a resolution of this matter with Defendant prior to a trial on the merits. Plaintiff and Defendant hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiff and Defendant are dismissed with prejudice to the right of Plaintiff and Defendant to file or refile same or any part thereof against any and/or all of the parties herein.
4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

Simple Solutions, LLC Morgan Marshden Signed: <i>[Signature]</i> Name: <u>Denis</u> Title: <u>Manager Marshden</u> Date: <u>8/13</u> , 2010	Ondova Limited Company By: Daystar Trust, Managing Member Signed: <i>[Signature]</i> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Bankruptcy trustee</u> Date: <u>8/13</u> , 2010
Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <i>[Signature]</i> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch Trustee</u> Date: <u>8/13</u> , 2010	

SO ORDERED:

Signed _____, 2010.

THE HONORABLE GEOFFREY W. BARNARD
U.S. MAGISTRATE JUDGE

EXHIBIT J

Form of Joint Motion to Stay Proceedings in the Phonecards.com Case

CAUSE NO. DC08-13925-C

EQUITY TRUST COMPANY, f/k/a	§	
Mid Ohio Securities, Custodian FBO	§	IN THE DISTRICT COURT OF
IRA 19471, and JEFFREY BARON,	§	
As Beneficiary of Equity Trust Company	§	
FBO IRA 19471,	§	
	§	
<i>Plaintiffs,</i>	§	
	§	
vs.	§	DALLAS COUNTY, TEXAS
	§	
ROHIT KRISHAN, Individually and d/b/a	§	
CallingCards.com, MUNISH KRISHAN	§	
Individually and d/b/a CallingCards.com,	§	
MANOJ KRISHAN, Individually and d/b/a	§	
CallingCards.com, and	§	
CALLINGCARDS.COM, LLC	§	68TH JUDICIAL DISTRICT
	§	
<i>Defendants.</i>	§	

JOINT NONSUIT FOR DISMISSAL WITH PREJUDICE

TO THE HONORABLE JUDGE MARTIN HOFFMAN:

Plaintiffs Equity Trust Company, f/k/a Mid Ohio Securities, Custodian FBO IRA 19471, and Jeffrey Baron, as Beneficiary of Equity Trust Company FBO 19471 and Defendants Rohit Krishan, individually and d/b/a Callingcards.com, Munish Krishan, Manoj Krishan and Callingcards.com, LLC, pursuant to TEX. R. CIV. P. 162, hereby notify the Court of Plaintiffs' Dismissal and Nonsuit with Prejudice of any and all claims brought or that could have been brought against Defendants in the above styled case in the 68th Judicial District of Dallas County, Texas. Defendants also, pursuant to Rule 162, hereby notify this Court of Defendants' Dismissal and Nonsuit with Prejudice of any and all claims brought or that could have been brought against the Plaintiffs in this matter.

This Joint Nonsuit for Dismissal with Prejudice becomes effective immediately upon filing of this notice, and requires no intervention by this Court.

EXECUTION VERSION

Respectfully submitted,

By: _____
Mark L. Taylor
State Bar No. 00792244
Amy A. Johnson
State Bar No. 24060024
CASH POWERS TAYLOR L.L.P.
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
Telephone: (214) 239-8900
Facsimile: (214) 239-8901

ATTORNEYS FOR PLAINTIFFS

BOYARMILLER
By: Lee A. Collins
Lee A. Collins
State Bar No. 00790484
Craig Dillard
State Bar No. 24040808
4265 San Felipe Road, Suite 1200
Houston, Texas 77027
Telephone: (713) 850-7766
Facsimile: (713) 552-1758

And

LOCKE LORD BISSELL & LIDELL LLP

By: _____
John W. MacPete
State Bar No. 00791156
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Telephone: (214) 740-8662
Facsimile: (214) 756-8662

**COUNSEL FOR DEFENDANTS MANOJ
KRISHAN, MUNISH KRISHAN, ROHIT
KRISHAN, INDIVIDUALLY AND DBA
CALLINGCARDS.COM, AND
CALLINGCARDS.COM, LLC**

EXECUTION VERSION

Respectfully submitted,

By: 

Mark L. Taylor
State Bar No. 00792244
Amy A. Johnson
State Bar No. 24060024
CASH POWERS TAYLOR L.L.P.
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
Telephone: (214) 239-8900
Facsimile: (214) 239-8901

ATTORNEYS FOR PLAINTIFFS

BOYARMILLER

By: _____

Lee A. Collins
State Bar No. 00790484
Craig Dillard
State Bar No. 24040808
4265 San Felipe Road, Suite 1200
Houston, Texas 77027
Telephone: (713) 850-7766
Facsimile: (713) 552-1758

And

LOCKE LORD BISSELL & LIDELL LLP

By: _____

John W. MacPete
State Bar No. 00791156
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Telephone: (214) 740-8662
Facsimile: (214) 756-8662

**COUNSEL FOR DEFENDANTS MANOJ
KRISHAN, MUNISH KRISHAN, ROHIT
KRISHAN, INDIVIDUALLY AND DBA
CALLINGCARDS.COM, AND
CALLINGCARDS.COM, LLC**

EXECUTION VERSION

Respectfully submitted,

By: _____
Mark L. Taylor
State Bar No. 00792244
Amy A. Johnson
State Bar No. 24060024
CASH POWERS TAYLOR L.L.P.
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
Telephone: (214) 239-8900
Facsimile: (214) 239-8901


ATTORNEYS FOR PLAINTIFFS

BOYARMILLER

By: _____
Lee A. Collins
State Bar No. 00790484
Craig Dillard
State Bar No. 24040808
4265 San Felipe Road, Suite 1200
Houston, Texas 77027
Telephone: (713) 850-7766
Facsimile: (713) 552-1758

And

LOCKE LORD BISSELL & LIDELL LLP

By: _____

John W. MacPete
State Bar No. 00791156
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Telephone: (214) 740-8662
Facsimile: (214) 756-8662

**COUNSEL FOR DEFENDANTS MANOJ
KRISHAN, MUNISH KRISHAN, ROHIT
KRISHAN, INVIDUALLY AND DBA
CALLINGCARDS.COM, AND
CALLINGCARDS.COM, LLC**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served, pursuant to TEX. R. CIV. P. 21 and 21a, on this the __ day of _____ 2010 on the following:

Via Fax

Mark Taylor
Amy Johnson
Cash Powers Taylor LLP
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
Fax: (214) 239-8901

Via Certified Mail, Return Receipt Requested

Jeffrey Hall
7242 Main St.
Frisco, TX 75034

Via Fax

John W. MacPete
LOCKE LORD BISSELL & LIDDELL LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Fax: (214) 756-8662



John W. MacPete

EXHIBIT K

Form of Agreed Order of Dismissal/Joint Stipulation in the Dallas Federal Case

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC., et al.,

Plaintiffs,

vs.

JEFFREY BARON, et. al.,

Defendants.

§
§
§
§
§
§
§
§
§
§
§
§

**CIVIL ACTION NO.
3-09CV0988-F**

STIPULATED DISMISSAL WITH PREJUDICE

Plaintiffs, Netsphere, Inc., Manila Industries, Inc. and Munish Krishan (collectively "Plaintiffs"), filed the Complaint in Civil No. 3-09-CV-0988-F against Defendants, Jeffrey Baron and Ondova Limited Company d/b/a Compana, LLC (collectively "Defendants"). Charla Aldous ("Aldous") and Jeffrey Rasansky ("Rasansky") have intervened in this matter and Quantec LLC ("Quantec"), Novo Point LLC ("Novo Point"), and Iguana Consulting LLC ("Iguana") have sought to intervene (Aldous, Rasansky, Quantec, Novo Point, and Iguana are herein collectively referred to as the "Intervenors"). Plaintiffs have now agreed upon a resolution of this matter with Defendants and Intervenors prior to a trial on the merits. Plaintiffs, Defendants and Intervenors hereby agree and it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the parties and subject matter of this action.
2. Any and all claims and counter-claims that have been or could have been asserted by Plaintiffs, Defendants and Intervenors are dismissed with prejudice to the right of Plaintiffs,

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>Netsphere, Inc. Signed: <u><i>John MacPete</i></u> Name: <u><i>John MacPete</i></u> Title: <u><i>Attorney for Netsphere</i></u> Date: <u><i>24 August, 2010</i></u></p>	<p>Manila Industries, Inc. Signed: <u><i>John MacPete</i></u> Name: <u><i>John MacPete</i></u> Title: <u><i>Attorney for Manila</i></u> Date: <u><i>26 August, 2010</i></u></p>
<p><u><i>John MacPete</i></u> <u><i>John MacPete</i></u> <u><i>Attorney for Munish Krishan</i></u></p>	<p><u><i>Munish Krishan</i></u> Date: <u><i>24 August, 2010</i></u></p>
<p><u>Jeffrey Baron</u> Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <u><i>Daniel J. Sherman</i></u> Name: <u><i>DANIEL J. SHERMAN</i></u> Title: <u><i>Ch. 11 Trustee</i></u> Date: <u><i>8/13, 2010</i></u></p>	<p>Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

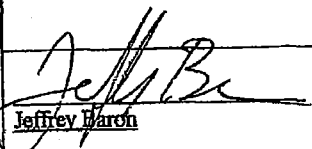
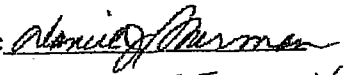
<p>Netsphere, Inc.</p> <p>Signed: <u><i>John MacPete</i></u></p> <p>Name: <u>John MacPete</u></p> <p>Title: <u>Attorney for Netsphere</u></p> <p>Date: <u>24 August, 2010</u></p>	<p>Manila Industries, Inc.</p> <p>Signed: <u><i>John MacPete</i></u></p> <p>Name: <u>John MacPete</u></p> <p>Title: <u>Attorney for Manila</u></p> <p>Date: <u>26 August, 2010</u></p>
<p><u><i>John MacPete</i></u> <u>John MacPete</u> <u>Attorney for Munish Krishan</u></p>	<p><u>Munish Krishan</u></p> <p>Date: <u>24 August 2010</u></p>
<p><u>Jeffrey Baron</u></p> <p>Date: _____, 2010</p>	<p>Ondova Limited Company By: <u>Daystar Trust, Managing Member</u></p> <p>Signed: <u><i>Daniel J. Sherman</i></u></p> <p>Name: <u>DANIEL J. SHERMAN</u></p> <p>Title: <u>Ch. 11 Bankruptcy Trustee</u></p> <p>Date: <u>8/30</u>, 2010</p>
<p>Ondova Chapter 11 Trustee By: <u>Daniel J. Sherman</u></p> <p>Signed: <u><i>Daniel J. Sherman</i></u></p> <p>Name: <u>DANIEL J. SHERMAN</u></p> <p>Title: <u>Ch. 11 Trustee</u></p> <p>Date: <u>8/13</u>, 2010</p>	<p>Quantec LLC</p> <p>Signed: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____, 2010</p>

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010	Manila Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010
	<u>Munish Krishan</u> Date: _____, 2010
 <u>Jeffrey Baron</u> Date: _____, 2010	Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010
Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed:  Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch. 11 Trustee</u> Date: <u>8/13</u> , 2010	Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

Netsphere, Inc. Signed: <u>[Signature]</u> Name: <u>Munish Krishan</u> Title: <u>President</u> Date: <u>8/26, 2010</u>	Manila Industries, Inc. Signed: <u>[Signature]</u> Name: <u>Munish Krishan</u> Title: <u>President</u> Date: <u>8/26, 2010</u>
	<u>[Signature]</u> Munish Krishan Date: <u>8/26, 2010</u>
<u>Jeffrey Baron</u> Date: <u> </u> , 2010	Ondova Limited Company By: <u>Daystar Trust, Managing Member</u> Signed: _____ Name: _____ Title: _____ Date: <u> </u> , 2010
Ondova Chapter 11 Trustee By: <u>Daniel J. Sherman</u> Signed: <u>[Signature]</u> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Trustee</u> Date: <u>8/13, 2010</u>	Quantec LLC Signed: _____ Name: _____ Title: _____ Date: <u> </u> , 2010

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Manila Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
	<p>_____ <u>Munish Krishan</u> Date: _____, 2010</p>
<p>_____ <u>Jeffrey Baron</u> Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: <u>Daniel J. Sherman</u> Name: <u>DANIEL J. SHERMAN</u> Title: <u>Ch 11 Trustee</u> Date: <u>8/13</u>, 2010</p>	<p>Quantec LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>

EXECUTION VERSION

Defendants and Intervenor to file or refile same or any part thereof against any and/or all of the parties herein.

4. Each party shall bear its own costs and attorneys' fees.
5. This Court shall retain jurisdiction for purposes of enforcing this order.

SO AGREED AND STIPULATED:

<p>Netsphere, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Manila Industries, Inc. Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
	<p>_____ Munish Krishan Date: _____, 2010</p>
<p>_____ Jeffrey Baron Date: _____, 2010</p>	<p>Ondova Limited Company By: Daystar Trust, Managing Member Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>
<p>Ondova Chapter 11 Trustee By: Daniel J. Sherman Signed: _____ Name: _____ Title: _____ Date: _____, 2010</p>	<p>Quantec LLC Signed: ATP NOMINEES LIMITED BY ITS DULY AUTHORIZED OFFICER Name: <u>ANGELA POPE - JOLETA KOTEKA</u> Title: _____ Date: <u>9th July</u>, 2010</p>

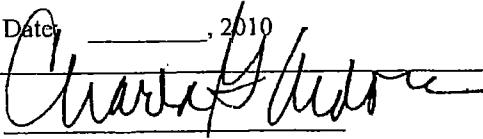
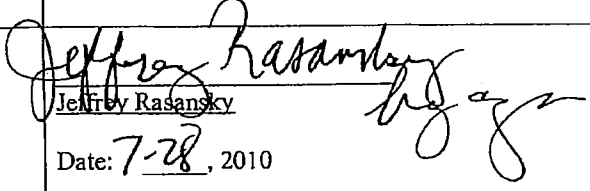
EXECUTION VERSION

<p>Novo Point LLC ATP NOMINEES LIMITED Signed: <u>[Signature]</u> BY ITS DULY AUTHORIZED OFFICER Name: <u>ANGELA POPE & JOVELYN KOTERA</u> Title: _____ Date: <u>9th July, 2010</u></p>	<p>Iguana Consulting LLC ATP NOMINEES LIMITED Signed: <u>[Signature]</u> BY ITS DULY AUTHORIZED OFFICER Name: <u>ANGELA POPE & JOVELYN KOTERA</u> Title: _____ Date: <u>9th July 2010</u></p>
<p>_____ <u>Charla Aldous</u> Date: _____, 2010</p>	<p>_____ <u>Jeffrey Rasansky</u> Date: _____, 2010</p>

SO ORDERED:

Signed _____, 2010.

THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT COURT JUDGE

Novo Point LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010  <u>Charla Aldous</u> Date: <u>7-28</u> , 2010	Iguana Consulting LLC Signed: _____ Name: _____ Title: _____ Date: _____, 2010  <u>Jeffrey Rasansky</u> Date: <u>7-28</u> , 2010
---	--

SO ORDERED:

Signed _____, 2010.

THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT COURT JUDGE

EXECUTION VERSION

<p>Novo Point LLC ATP NOMINEES LIMITED Signed: <u>[Signature]</u> BY ITS DUTY AUTHORIZED OFFICER Name: <u>ANGELA POPE & JORELYN KOTERA</u> Title: _____ Date: <u>9th July, 2010</u></p>	<p>Iguana Consulting LLC ATP NOMINEES LIMITED Signed: <u>[Signature]</u> BY ITS DUTY AUTHORIZED OFFICER Name: <u>ANGELA POPE & JORELYN KOTERA</u> Title: _____ Date: <u>9th July 2010</u></p>
<p>_____ Charla Aldous Date: _____, 2010</p>	<p><u>[Signature]</u> Jeffrey Rasansky Date: <u>Aug 27</u>, 2010</p>

SO ORDERED:

Signed _____, 2010.

THE HONORABLE W. ROYAL FURGESON, JR.
U.S. DISTRICT COURT JUDGE

EXECUTION VERSION

EXHIBIT L

Form of CC Assignment

PHONECARDS.COM ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT ("Agreement") is dated as of _____, 2012, from CallingCards.com, LLC ("Assignor"), to Equity Trust Company ("Assignee").

1. Assignor hereby assigns to Assignee, and Assignee hereby accepts from Assignor, all of the right, title and interest that Assignor possesses and has the right to assign in the domain name PHONECARDS.COM in exchange for Assignee's payment of Ten Thousand Dollars (\$10,000.00 U.S.), in certified funds, which is tendered concurrently herewith.

2. Assignor will take such additional steps necessary, if any, to vest in Assignee all right, title and interest of Assignor in and to the domain name PHONECARDS.COM, and otherwise to carry out the purpose and intent of this Agreement.

3. This Agreement may be signed in counterparts. A facsimile copy or an electronic image of a signed counterpart shall be deemed to be equivalent to a signed original.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Agreement to be executed and delivered on the date first above written.

ASSIGNOR:

CallingCards.com, LLC

By: [Signature]
Name: Matthew Reardon
Title: COO

ASSIGNEE:

Equity Trust Company Custodian FBO Jeffrey Baron IRA
By: [Signature]
Name: Jamie Reed
Title: Vice President

EXHIBIT K

Form of Dauben Disclaimer of Interest

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DISCLAIMER OF INTEREST

STATE OF TEXAS

§
§
§

KNOW ALL THESE PRESENTS:

COUNTY OF DALLAS

Joey Dauben, on behalf of himself, Dauben, Inc., d/b/a Texas International Property Associates and Privacy Protection Services, Inc., d/b/a Oakwood Services, Inc., and his and their respective affiliates hereby disclaims any interest in the property described below:

1. Even Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Restore List (as defined in Paragraph 5(e) of the Preliminary Injunction);

2. Odd Group Portfolio (as defined in Paragraph 3 of the Preliminary Injunction) and the domain names in the Allocated Names List (as defined in Paragraph 5(d) of the Preliminary Injunction); and

3. Blue Horizons Portfolio, meaning all domain names that previously were registered through Ondova Limited Company, exclusive of the Even Group Portfolio, the Odd Group Portfolio and any domain name not registered through or at Ondova Limited Company as of February 22, 2010, and exclusive of the domain names *Pokerstar.com*, *Servers.com*, and the Excluded Disputed Domains (defined below).

4. The following domain names: *Pokerstar.com*, *Servers.com*, and the Excluded Disputed Domains (defined as the list of twelve (12) domain names in an e-mail from Raymond J. Urbanik to Gerrit Pronske on June 2, 2010).

SIGNED on the date acknowledged below.

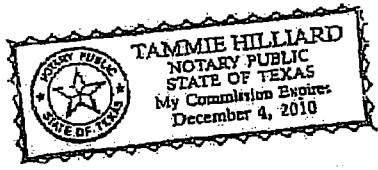

JOEY DAUBEN



STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on 5th, 2010, by Joey Eauben.

Tammie Hilliard
Notary Public State of Texas.



K-2

EXHIBIT N

Form of Rescission/Quitclaim Agreement (Quantec LLC and Iguana Consulting LLC)

RESCISSION AGREEMENT

This Rescission Agreement (this "Agreement") is made this ___ day of _____, 2010 among Quantec LLC, a Cook Islands limited liability company ("Quantec LLC"), Iguana Consulting LLC, a Cook Islands limited liability company ("Iguana Consulting LLC"), and Asiatrust Limited as Trustee of the MMSK Trust, a trust organized and established under the laws of the Cook Islands ("Asiatrust").

RECITALS

A. On or about July 6, 2009, Asiatrust purported to transfer, by operation of law or otherwise, to Quantec LLC 293.25 shares of the capital stock of Quantec, Inc., a United States Virgin Islands corporation (the "Quantec Shares") in consideration of the purported issuance by Quantec LLC to Asiatrust of membership interests in Quantec LLC (the "Quantec LLC Interests").

B. On or about July 6, 2009, Asiatrust purported to transfer, by operation of law or otherwise, to Iguana Consulting LLC 293.25 shares of the capital stock of Iguana Consulting, Inc., a United States Virgin Islands corporation (the "Iguana Shares.") in consideration of the purported issuance by Iguana Consulting LLC to Asiatrust of membership interests in Iguana Consulting LLC (the "Iguana Consulting LLC Interests").

C. Asiatrust, Quantec LLC and Iguana Consulting LLC desire to rescind the purported transfer of the Quantec Shares and the Iguana Shares and the purported issuance of the Quantec LLC Interests and the Iguana Consulting LLC Interests and to reinstate Asiatrust's ownership of the Quantec Shares and the Iguana Shares as if such purported transfer and issuance had never happened.

AGREEMENT

In consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Quantec LLC, Iguana Consulting LLC and Asiatrust hereby agree as follows:

1. Rescission of Share Transfer. Quantec LLC and Asiatrust mutually agree that the purported transfer, by operation of law or otherwise, of the Quantec Shares from Asiatrust to Quantec LLC is hereby rescinded and shall be treated as if such transfer never occurred. Iguana Consulting LLC and Asiatrust mutually agree that the purported transfer, by operation of law or otherwise, of the Iguana Shares from Asiatrust to Iguana Consulting LLC is hereby rescinded and shall be treated as if such transfer never occurred. Quantec LLC expressly quitclaims to Asiatrust and disavows all rights of every kind, nature and description, if any, it may have, or ever had, in and to all rights related to the Quantec Shares, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after July 6, 2009 from the Quantec Shares. Iguana Consulting LLC expressly quitclaims to Asiatrust and disavows all rights of every kind, nature and description, if any, it may have, or ever had, in and to all rights related to the Iguana Shares, including, without limitation, property rights, contract rights, copyright interests and any other intellectual property interests, the value of goodwill, and any income that may be derived from and after July 6, 2009 from the Iguana Shares.

EXECUTION VERSION

2. Rescission of Membership Interest Issuance. Quantec LLC and Asiatrust mutually agree that the purported issuance of the Quantec LLC Interests to Asiatrust is hereby rescinded and shall be treated as if such issuance never occurred. Quantec LLC and Asiatrust further agree that Asiatrust shall not be treated as ever having been a member of, or owner of any equity interests in, Quantec LLC. Iguana Consulting LLC and Asiatrust mutually agree that the purported issuance of the Iguana Consulting Interests to Asiatrust is hereby rescinded and shall be treated as if such issuance never occurred. Iguana Consulting LLC and Asiatrust further agree that Asiatrust shall not be treated as ever having been a member of, or owner of any equity interests in, Iguana Consulting LLC.

3. Further Actions. Each of Quantec LLC, Iguana Consulting LLC and Asiatrust shall execute all such additional documents and take all such further action as may be necessary or desirable to effect any of the purposes of, or to reflect any of the actions taken in, this Agreement.

4. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

5. Amendments, Waivers, Counterparts, Jurisdiction, etc.

(a) The provisions of this Agreement may be amended, modified and waived, but only in writing by each party hereto.

(b) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart.

(c) If any action is brought to enforce or interpret the terms of this Agreement (including through arbitration), the prevailing party shall be entitled to reasonable legal fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

(d) The United States District Court for the Northern District of Texas, The Honorable Royal Furgeson, shall have jurisdiction over any and all other disputes and/or matters related to this Agreement, whether related to its consummation, implementation, enforcement or otherwise.

[Signature page follows]

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

QUANTEC LLC

By: Novquant, LLC, Manager

By: **ATP NOMINEES LIMITED**
BY ITS DULY AUTHORISED OFFICER
Name: [Signature]
Title: ANGELA POPE & JOCELYN KATEKA

IGUANA CONSULTING LLC

By: Novquant, LLC, Manager

By: **ATP NOMINEES LIMITED**
BY ITS DULY AUTHORISED OFFICER
Name: [Signature]
Title: ANGELA POPE & JOCELYN KATEKA

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: **ATP DIRECTORS LIMITED**
BY ITS DULY AUTHORISED OFFICER
Name: LESLEY KATORA & LISA AD
Title: _____

EXHIBIT O

Form of MMSK Trust Assignments

STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 293.25 shares of the common stock of Quantec, Inc. represented by certificate No. 2, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: _____, 2010

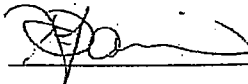
THE MMSK TRUST

By: Asiatrusted Limited, Its Trustee

ATP DIRECTORS LIMITED
BY ITS DULY AUTHORISED OFFICER

By: _____
Name: LESLEY KATOQA & LISA IRO
Title: _____

IN THE PRESENCE OF:



STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 293.25 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 8, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: _____, 2010

THE MMSK TRUST

By: Asiatrust Limited, Its Trustee

By: ATP DIRECTORS LIMITED
BY ITS DUTY AUTHORIZED OFFICER

Name: LESLEY KAPORA & LISA IRU

Title: _____

IN THE PRESENCE OF:

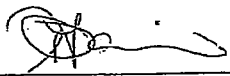


EXHIBIT P
Form of Manila Related Parties' Assignments

STOCK POWER

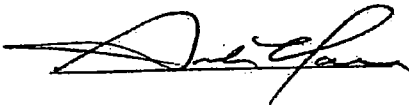
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 114.25 shares of the common stock of Quantec, Inc. represented by certificate No. 9, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: 7-8, 2010



Biju Mathew

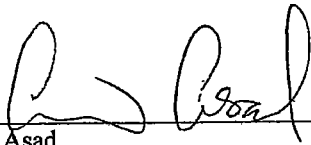
IN THE PRESENCE OF:



STOCK POWER

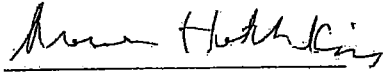
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 45 shares of the common stock of Quantec, Inc. represented by certificate No. 10, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: ~~7-9-10~~, 2010



Amir Asad


IN THE PRESENCE OF:



STOCK POWER

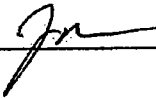
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 40 shares of the common stock of Quantec, Inc. represented by certificate No. 11, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: 7-7, 2010



Rohit Krishan

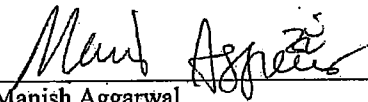
IN THE PRESENCE OF:



STOCK POWER

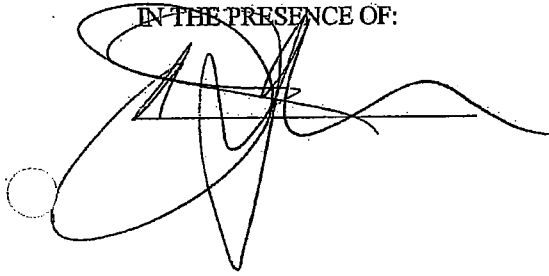
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 5 shares of the common stock of Quantec, Inc. represented by certificate No. 12, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: ~~7/2~~, 2010



Manish Aggarwal

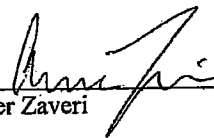
IN THE PRESENCE OF:



STOCK POWER

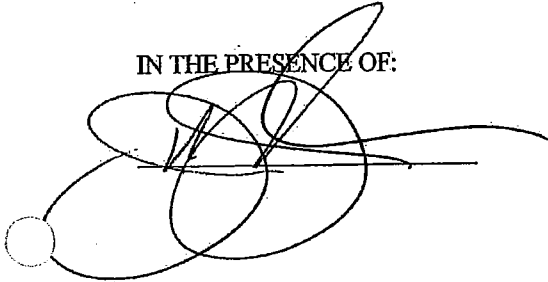
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 2.5 shares of the common stock of Quantec, Inc. represented by certificate No. 13, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Quantec, Inc. with full power of substitution in the premises.

Dated: [REDACTED], 2010



Amer Zaveri

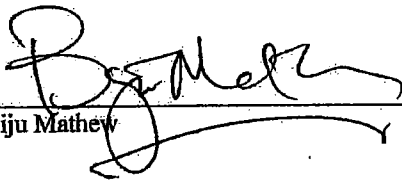
IN THE PRESENCE OF:



STOCK POWER

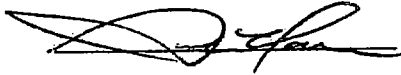
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 114.25 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 3, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7-8, 2010



Biju Mathew

IN THE PRESENCE OF:



STOCK POWER

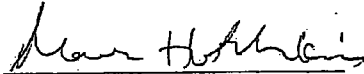
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 45 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 4, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7/9, 2010



Amir Asad

IN THE PRESENCE OF:

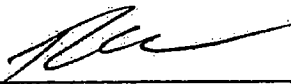


EXECUTION VERSION

STOCK POWER

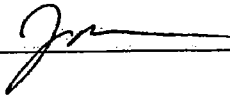
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [_____], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 40 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 5, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7-7, 2010



Rohit Krishan

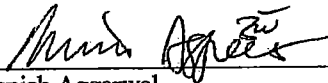
IN THE PRESENCE OF:



STOCK POWER

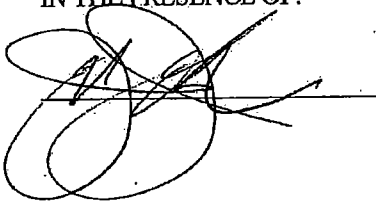
FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 5 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 8, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: [REDACTED], 2010



Manish Aggarwal

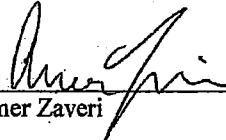
IN THE PRESENCE OF:



STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby assigns, and transfers unto [REDACTED], a Cook Islands limited liability company, all right, title and interest of the undersigned, beneficially and/or of record, in and to 2.5 shares of the common stock of Iguana Consulting, Inc. represented by certificate No. 9, and does hereby irrevocably constitute and appoint _____ as the undersigned's attorney, to transfer said stock on the books of Iguana Consulting, Inc. with full power of substitution in the premises.

Dated: 7/29, 2010



Amer Zaveri

IN THE PRESENCE OF:

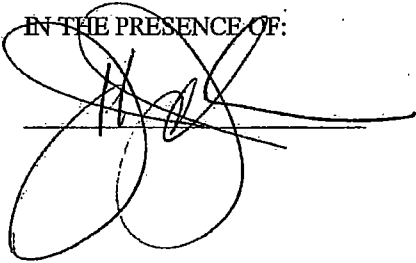


EXHIBIT Q

RESIGNATION OF PROTECTOR AND APPOINTMENT OF SUCCESSOR
PROTECTOR OF THE MMSK TRUST

WHEREAS, on December 30, 2005, Munish and Seema Krishan, as Settlors, Asiatruster Limited, as Trustee, and PN Management Limited, as Protector, executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The MMSK Trust (the "Trust");

WHEREAS, PN Management Limited is currently serving as Protector of the Trust;

WHEREAS, Article V.A. of the Trust Deed provides that the Protector may appoint a successor Protector of the Trust;

WHEREAS, Article V.C. of the Trust Deed provides that the Protector may resign at any time by delivering written notice to the Trustee, which resignation shall be effective at the time or under the conditions specified in such instrument;

WHEREAS, Article III.G. of the Trust Deed provides that a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XIX of the Trust Deed;

WHEREAS, Article V.D. of the Trust Deed provides that the Protector shall have the benefit of the same indemnities, protections, and exculpations as conferred on the Trustee by the operation of law or under the terms of the Trust Deed;

WHEREAS, PN Management Limited wishes to appoint a successor Protector of the Trust;

WHEREAS, PN Management Limited (hereafter, the "Resigning Protector") wishes to resign as Protector of the Trust by giving written notice to the Trustee and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein.

NOW, THEREFORE, the parties agree to the following:

1. The Resigning Protector does hereby appoint **Cook Islands Trust Protectors Limited** as successor protector (the "Successor Protector") to exercise all powers and discretions granted to the Protector under the Trust Deed.

2. By its signature hereto, the Successor Protector does hereby covenant and agree, in its capacity as Protector of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

3. Pursuant to Article V.D., Article III.G. and Article XIX of the Trust Deed, the Trustee hereby covenants with the Resigning Protector and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to indemnify the Resigning Protector and its directors and officers and its successors in title against any and all liabilities, actions, proceedings, claims, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses, and other liabilities of whatsoever nature for and in respect of which the Resigning Protector may be or become liable as protector or former protector of the Trust (the "Liabilities"), PROVIDED THAT the liability of the Trustee under the above indemnity shall not extend to the Liabilities that arise

EXECUTION VERSION

from the Resigning Protector's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Trustee under the above indemnity shall be limited to the Resigning Protector's right of indemnity against the Trust Property provided under the Trust Deed and shall extend only to the Liabilities in respect of which the Resigning Protector would have been entitled to reimbursement out of the property of the Trust had it remained protector of the Trust on its present terms.

4. The Resigning Protector is hereby released from all liabilities, undertakings, and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings, and obligations relate to the Trust Property.

5. The Resigning Protector does hereby resign as Protector of the Trust.

6. This document shall take effect upon the date on which the last of the undersigned parties executes this document.

7. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

8. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

9. This document shall be governed by, and construed in accordance with the laws of, the Cook Islands.

RESIGNING PROTECTOR:

PN MANAGEMENT LIMITED

By: _____
Print Name: _____
Title: _____

Date

SUCCESSOR PROTECTOR:

COOK ISLANDS TRUST PROTECTORS LIMITED

By: _____
Print Name: _____
Title: _____

Date

RESIGNING PROTECTOR:

PN MANAGEMENT LIMITED

By: _____
Print Name: Bernard HAISSELY
Title: President

June 21, 2010
Date

SUCCESSOR PROTECTOR:

By: _____
Print Name: _____
Title: _____

Date

RESIGNING PROTECTOR:

PN MANAGEMENT LIMITED

By: _____
Print Name: _____
Title: _____

_____ Date

SUCCESSOR PROTECTOR:

COOK ISLANDS TRUST PROTECTORS LTD.

By: *Anthony Will*
Print Name: ANTHONY WILL
Title: AUTHORISED SIGNATORY

18 August 2010
Date

Joinder Agreement

WHEREAS, the Trust (as defined above) is a party to that certain Mutual Settlement and Release Agreement by and among Munish Krishan, et al, initially approved by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division Bankruptcy, in Case No. 09-34784-SGJ-11 on June 22, 2010 (the "Settlement Agreement"); and

WHEREAS, in connection with the Settlement Agreement and the subject appointment, PN Management Limited desires for Cook Islands Trust Protectors Limited to (i) acknowledge receipt of a copy of the Settlement Agreement, and (ii) in its capacity as Protector of the Trust, agree to perform the obligations of the Trust pursuant to the Settlement Agreement;

NOW, THEREFORE, Cook Islands Trust Protectors Limited hereby: (i) acknowledges receipt of a copy of the Settlement Agreement; and (ii) covenants and agrees, in its capacity as successor Trustee of the Trust, to perform the obligations of the Trust pursuant to the Settlement Agreement.

COOK ISLANDS TRUST PROTECTORS LIMITED

By: _____
Print Name: _____
Title: _____

_____ Date

EXHIBIT O

Form of Asiatrust Resignation

**RESIGNATION OF TRUSTEE and APPOINTMENT OF SUCCESSOR TRUSTEE
OF THE MMSK TRUST**

WHEREAS, on December 30, 2005, Munish and Seema Krishan, as Settlers (the "Settlers"), Asiatrust Limited, as Trustee ("Asiatrust"), and PN Management Limited, as Protector (the "Protector"), executed that certain Trust Deed (the "Trust Deed") establishing a trust to be known as The MMSK Trust (the "Trust");

WHEREAS, Article III.C. of the Trust Deed provides that the Trustee may resign at any time by providing written notice addressed to the Protector;

WHEREAS, Article III.B.3. of the Trust Deed gives the Protector the power to appoint a successor Trustee, whether within or without the Cook Islands, as Trustee of the Trust;

WHEREAS, Article III.G. of the Trust Deed provides that without prejudice to any other right conferred by law a resigning Trustee shall be entitled to require from each continuing Trustee or successor Trustee an indemnity as described in Article XIX of the Trust Deed;

WHEREAS, Asiatrust desires to resign as Trustee of the Trust (the "Resigning Trustee") by giving written notice to the Protector and to be discharged from the trusts and powers of the Trust upon being indemnified as provided herein; and

WHEREAS, the Protector desires to appoint GCSL Trustees Limited as successor Trustee of the Trust.

NOW, THEREFORE, the parties hereto agree to the following:

1. Asiatrust does hereby provide written notice to the Protector that it resigns as Trustee of the Trust and Asiatrust is hereby discharged from all or any of the trusts and powers reposed in or conferred on it under the Trust Deed.
2. PN Management Limited, as Protector, does hereby appoint GCSL Trustees Limited as successor Trustee of the Trust (the "Successor Trustee"), to exercise all powers and discretions granted to the Trustee under the Trust Deed.
3. GCSL Trustees Limited does hereby accept its appointment as successor Trustee of the Trust and hereby covenants with the Resigning Trustee and its directors and officers and its successors in title at all times fully and effectually (but subject as provided below) to indemnify the Resigning Trustee and its directors and officers and its successors in title against any and all liabilities, actions, proceedings, claims, demands, taxes, and duties (including all associated interests, penalties, and costs) and all costs, expenses and other liabilities of whatsoever nature for and in respect of which the Resigning Trustee may be or become liable as trustee or former trustee of the Trust (the "Liabilities"), PROVIDED THAT the liability of the Successor Trustee under the above indemnity shall not extend to the Liabilities that arise from the Resigning Trustee's own fraud, willful misconduct, or gross negligence, and PROVIDED FURTHER THAT the liability of the Successor Trustee under the above indemnity shall be limited to its right of indemnity against the Trust Property provided under the Trust Deed and shall extend only to the

Liabilities in respect of which the Resigning Trustee would have been entitled to reimbursement out of the property of the Trust had it remained trustee of the Trust on its present terms.

4. The Resigning Trustee is hereby released from all liabilities, undertakings and obligations of any kind under the Trust or under law insofar as such liabilities, undertakings and obligations relate to the Trust Property.

5. The provisions of this document shall take effect upon the date on which the last of the undersigned parties executes this document (the "Effective Date"), at which time the Trust Property shall vest in the Successor Trustee. The Resigning Trustee, pursuant to Article III.E. of the Trust Deed, hereby covenants with the Successor Trustee to execute all documents and take such other action as may be reasonably necessary or desirable to transfer the Trust Property to the Successor Trustee as soon as possible after the Effective Date.

6. In this document where the context allows words and expressions shall bear the same meanings as in the Trust Deed.

7. This document may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute one and the same document.

8. This document shall be governed by and construed in accordance with the laws of the Cook Islands.

RESIGNING TRUSTEE

ASIATRUST LIMITED
ATP DIRECTORS LIMITED
BY ITS DULY AUTHORIZED OFFICER

By: _____
Print name: _____
Title: _____

8/23/2010
Date

SUCCESSOR TRUSTEE

Appointment Accepted

GCSL TRUSTEES LIMITED

By: _____
Print name: _____
Title: _____
by its nominee

Date

ACKNOWLEDGED

**PN MANAGEMENT LIMITED,
Protector of The MMSK Trust**

By: _____
Print name: Bernard Henry
Title: President

21 June 2010
Date

EXHIBIT S

Form of Order

Order for Maintenance of Records Produced in Litigation

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC., et al.,

Plaintiffs,

vs.

**JEFFREY BARON and
ONDOVA LIMITED COMPANY,
et. al.,**

Defendants.

§
§
§
§
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§
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§
§
§

CIVIL ACTION NO. 3-09-CV-0988-F

AGREED ORDER RE: MAINTENANCE OF RECORDS PRODUCED IN LITIGATION

In accordance with the Mutual Settlement and Release Agreement (“Settlement Agreement”) entered into on or about July 2, 2010, and submitted in the matter styled *In re Ondova Limited Company d/b/a Compana, LLC*, Bankruptcy Case No. 09-34784-SGJ-11, in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, the parties hereby agree as follows:

Gardere Wynne shall maintain, as confidential information, copies of the imaged computers produced to Special Master Peter Vogel by Equivalent Data and any copies which are currently in Equivalent Data’s possession during the term of the Pokerstar License Agreement, and shall not allow any Party or third party access to such copies of imaged computers, except pursuant to legal process; provided, however that Gardere Wynne shall provide Jeffrey Baron, Ondova and Manila Industries, Inc., with notice with reasonable opportunity to object prior to any such disclosure. Upon the termination or expiration of the license agreement, Gardere Wynne shall destroy all copies of the imaged computers in its possession.

THEREFORE, having considered the agreement of the parties as set forth above, the Court finds it is supported by good consideration and it is hereby APPROVED; and it is further

ORDERED that this Order shall survive the dismissal of this proceeding.

IT IS SO ORDERED.

June _____, 2010.

EXHIBIT 12

ENTERED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE DATE OF ENTRY IS
ON THE COURT'S DOCKET
TAWANA C. MARSHALL, CLERK

IN RE:

ONDOVA LIMITED COMPANY,
DEBTOR.

Case No. 09-34784-SGJ-11

NETSPHERE, INC., ET AL.,
PLAINTIFFS,

VS.

Civil Action No. 3-09CV0988-F

JEFFREY BARON, ET AL.,
DEFENDANTS.

REPORT AND RECOMMENDATION TO DISTRICT COURT

(JUDGE ROYAL FURGESON):

THAT PETER VOGEL, SPECIAL MASTER, BE
AUTHORIZED AND DIRECTED TO MEDIATE ATTORNEYS FEES ISSUES

The undersigned bankruptcy judge makes this Report and Recommendation to the Honorable Royal Furgeson, who presides over litigation related to the above-referenced bankruptcy case styled *Netsphere v. Baron*, Case # 3-09CV0988-F (the "District Court Litigation"). The purpose of this submission is: (a) to report the status of certain matters pending before the bankruptcy court, that are related to the District Court Litigation; and (b)

to recommend that His Honor appoint Peter Vogel, Special Master in the District Court Litigation, to mediate issues relative to attorneys fees that are further described below.

I. BACKGROUND.

The bankruptcy court has held four status conferences in recent weeks in connection with the above-referenced bankruptcy case (on September 15, 22, and 30, 2010 and October 8, 2010). The bankruptcy court has heard reports and evidence at each status conference regarding the extent to which the so-called "Global Settlement Agreement" has been consummated. The "Global Settlement Agreement" refers to the Mutual Settlement and Release Agreement approved by the bankruptcy court on July 28, 2010 [see Order at Docket No. 394]¹, involving, among other things: (a) dozens of parties, but primarily the Ondova bankruptcy estate (through Chapter 11 Trustee, Daniel Sherman), Jeffrey Baron, the Manilla/NetSphere parties, the Village Trust, the MMSK Trust, and various United States Virgin Island entities; (b) a split of a portfolio of internet domain names; (c) certain payments to the Ondova bankruptcy estate by Manilla/NetSphere and the Village Trust; (d) the settlement of more than a half-dozen lawsuits involving Ondova and/or Jeffrey Baron; and (e) a broad release of claims. While the bankruptcy court has heard positive statements

¹ All docket number references herein refer to the docket entry numbers on the PACER/ECF docket maintained in the *In re Ondova Limited Company* ("Ondova") bankruptcy case (Case No. 09-34784-sgj-11).

from the Chapter 11 Trustee indicating that there has been substantial consummation of the Global Settlement Agreement (i.e., payment of more than one million dollars of settlement funds to the Ondova bankruptcy estate by Manilla/NetSphere; payment of certain additional settlement funds to the Ondova bankruptcy estate from the Village Trust; dismissals of all lawsuits except for the District Court Litigation;² appointment of a successor Trustee and Protector over the Village Trust; steps toward transferring the so-called "Odd Names Portfolio" portion of the internet domain names to a new Registrar away from Ondova), the bankruptcy court has had lingering concerns at each of the status conferences regarding Jeffrey Baron's commitment to completing his obligations under the Global Settlement Agreement, and possibly taking actions to frustrate the Global Settlement Agreement. Part of the bankruptcy court's concerns in this regard have been fueled by the fact that Jeffrey Baron has continued to hire and fire lawyers for himself and certain entities that are parties to the Global Settlement Agreement (e.g., Quantec), and has instructed such lawyers to file pleadings—even after entry into the Global Settlement Agreement—

² The District Court Litigation, as well as the bankruptcy case of Ondova, remain open, so that there will be fora in which the parties can seek relief to enforce or interpret the Global Settlement Agreement. Additionally, there is remaining case administration needed in the Ondova bankruptcy case (namely, resolution and payment of claims—now that there are funds to pay creditors).

as though the matters resolved in the Global Settlement Agreement are far from over.

But the concern over the hiring-and-firing of lawyers is even more problematic than what the bankruptcy court mentions above. The bankruptcy court has had a growing concern that Jeffrey Baron's actions *may be exposing the Ondova bankruptcy estate to possible administrative expense claims* for amounts owed to attorneys that *Jeffrey Baron should pay or entities with which he is connected (Quantec, Village Trust, etc.) should rightfully pay*. To further explain, the court summarizes below some of what has occurred before and after the Global Settlement Agreement was reached.

II. THE CAVALCADE OF ATTORNEYS.

When Jeffrey Baron started hiring and firing lawyers shortly after the Global Settlement Agreement was reached, the bankruptcy court took judicial notice (at a September 15, 2010 status conference) that Jeffrey Baron and Ondova have had *dozens of sets of lawyers* in the past four years, since the litigation with Manilla/NetSphere and other parties commenced. At least the following lawyers have served as former counsel to Ondova and/or Jeffrey Baron in the litigation with Manilla/NetSphere that started in the state district court in Dallas County (before the next phase of litigation between the parties started in the District Court Litigation): (i) Mateer & Schaffer; (ii)

Carrington Coleman Sloman & Blumenthal; (iii) Bickel & Brewer; (iv) The Beckham Group; (v) The Aldous Law Firm; (vi) The Rasansky Law Firm; (vii) Fee Smith Sharp & Vitullo; and (viii) Friedman & Feiger.

Additionally, far more than a dozen attorneys' names were listed in Ondova's Bankruptcy Schedules (Schedule F—the list of pre-bankruptcy unsecured creditors of Ondova) as being owed significant sums of money by Ondova (not the least of which was the Carrington Coleman law firm, that filed a claim for \$224,233.27, and Bickel & Brewer which is scheduled as being owed \$42,500).

Fast forwarding to the post-bankruptcy time period, at least the following lawyers have become engaged by Jeff Baron or entities he directs (or is the ultimate owner/beneficiary of) *since* the Ondova bankruptcy case was filed: (i) Paul Keiffer (Wright, Ginsburg & Brusilow) for Ondova;³ (ii) Gerrit Pronske (Pronske & Patel) for Jeffrey Baron individually;⁴ (iii) Steven

³ Mr. Keiffer and his firm filed an application to be employed by Ondova on July 29, 2009 [Doc. No. 5], which application was granted by this court [Doc. No. 57]. Then, Mr. Keiffer moved to withdraw just a month-and-a-half later, on September 11, 2009 [Doc. No. 83], which the court granted on October 1, 2009 [Doc. No. 108].

⁴ Pronske & Patel moved to withdraw from representing Jeffrey Baron on September 7, 2010, after representing Mr. Baron for many months in the bankruptcy case [Doc. No. 419], citing nonpayment of more than \$200,000 of fees during the Ondova bankruptcy case, conflicts of interest—as Jeffrey Baron has now sued them—and also a concern that Jeffrey Baron may be engaging in fraudulent transfers. This request to withdraw was granted by the bankruptcy court [Doc. No. 449].

Jones for Jeffrey Baron individually;⁵ (iv) Gary Lyon for Jeffrey Baron individually;⁶ (v) Dean Ferguson for Jeffrey Baron individually;⁷ (vi) Martin Thomas for Jeffrey Baron individually;⁸ (vii) Stanley Broome for Jeffrey Baron individually;⁹ and (viii) James Eckles for Quantec.¹⁰ Several

⁵ Mr. Jones made a brief cameo appearance as criminal counsel to Mr. Baron during the Ondova bankruptcy case on September 11 and 28, 2009.

⁶ Attorney Gary Lyon, who has been representing Jeffrey Baron individually for many months in the bankruptcy court and District Court, recently requested to have attorney Martin Thomas substituted in his place or approved as co-counsel with him [see, e.g., Doc. No. 458]. For the first time, Mr. Lyon announced in September 2010 that he is only admitted to practice law in the State of Oklahoma, although admitted in the courts in the Northern District of Texas, and Mr. Lyon felt this was an ethical problem unless he associated with co-counsel (here, suggesting Martin Thomas).

⁷ Dean Ferguson appeared for Jeffrey Baron individually at one hearing in the Ondova bankruptcy case (on September 15, 2010) and said he had been representing Jeffrey Baron for some time in connection with out-of-court negotiations relating to the Ondova bankruptcy case, but he would not be seeking to go forward because of non-payment of fees.

⁸ Attorney Martin Thomas (who has newly filed a notice of appearance in the bankruptcy case) [Doc. No. 37, filed on September 14, 2010] seeks to be primary counsel now to Jeffrey Baron individually. The court signed an order on October 12, 2010 allowing Martin Thomas to represent Mr. Baron (with Gary Lyon) in the bankruptcy case.

⁹ Attorney Stanley Broome (who has newly sued Pronske & Patel for Jeffrey Baron in September 2010) has filed a notice of appearance for Jeffrey Baron in the bankruptcy case [Doc. No. 438, filed September 15, 2010].

¹⁰ Attorney James Eckles filed a notice of appearance for Quantec, LLC on September 21, 2010 [Doc. No. 450]. He has already filed a request that the court interpret part of the Global Settlement Agreement in a way that the court found unsupportable. His request was stricken. It appears to the bankruptcy court that Mr. Eckles is acting primarily for Mr. Baron, individually. He admitted that he had

lawyers have appeared for the Virgin Island entities of which Jeffrey Baron is the beneficiary including (i) Eric Taube (Hohmann, Taube & Summers), (ii) Hitchcock Everitt LLP, (iii) Craig Capua (West & Associates, LLP), and (iv) Shririg Jete Becket Tackett.

Jeffrey Baron's habit of hiring and then firing lawyers, in many cases after they have incurred significant fees on his or Ondova's behalf (or on behalf of other entities he controls or is beneficiary of), has grown to a level that is more than a little disturbing. As the court noted in court on September 15, 2010, at the very least, it smacks of the possibility of violating Rule 11 (i.e., it suggests a pattern of perhaps being motivated by an improper purpose, such as to harass, cause delay, or needlessly increase the cost of litigation for other parties). Still more troubling is the possibility to the court that Jeffrey Baron may be engaging in the crime of theft of services. See Texas Penal Code §§ 31.01(6) & 31.04 ("A person commits theft of service if, with intent to avoid payment for service that he knows is provided only for compensation: (1) he intentionally or knowingly secures performance of the service by deception, threat, or false token"; "services" includes "professional services"). This crime can be a misdemeanor or a felony—depending on the amount involved. If Jeffrey Baron is constantly engaging lawyers

represented Mr. Baron individually in another matter.

without ever intending to pay them the full amounts that they charge, and then terminating them when they demand payment, this court is troubled that there are possibly criminal implications for Jeffrey Baron.

The bankruptcy court has announced that it will not allow this pattern to occur any further in these proceedings, and Jeffrey Baron will not be allowed to hire any additional attorneys. Mr. Baron has been told that he can either retain Gary Lyon and Martin Thomas through the end of the bankruptcy case (which this court does not expect to last much longer) or he can proceed *pro se*. The bankruptcy court has further warned Mr. Baron that if he chooses to proceed *pro se* and does not cooperate in connection with final consummation of the Global Settlement Agreement, he can expect this court to recommend to His Honor that he appoint a receiver over Mr. Baron, pursuant to 28 U.S.C. §§ 754 & 1692, to seize Mr. Baron's assets and perform the obligations of Jeffrey Baron under the Global Settlement Agreement.¹¹

III. RECOMMENDATION.

As alluded to above, the bankruptcy court's concerns over the above hiring and firing of lawyers by Mr. Baron is multi-faceted (e.g., Rule 11 implications; frustration of the Global

¹¹ The bankruptcy court is concerned that it would not have the power to appoint a receiver over Mr. Baron, due to language in section 105(b) of the Bankruptcy Code.

Settlement Agreement; possible criminal theft of services, etc.). But, at this juncture, the bankruptcy court is perhaps most concerned about the risk that the bankruptcy estate has and will be exposed to administrative expense claims as a result of Mr. Baron's behavior (e.g., claims occurring during the post-bankruptcy time period, with regard to which payment may be sought from the Ondova bankruptcy estate, and which claims would "prime" pre-bankruptcy unsecured claims). For example, the Pronske & Patel law firm has taken the position that they are owed and have not been paid approximately \$200,000 incurred representing Mr. Baron. Pronske & Patel may seek a "substantial contribution" administrative expense claim against the Ondova bankruptcy estate (see 11 U.S.C. §503(b)(3)(D) & (4), which contemplate that an administrative expense claim may be allowed for a creditor or professional for a creditor who makes a "substantial contribution" in a case under chapter 9 or 11 of this title). Pronske & Patel have already filed a counterclaim against Mr. Baron in an adversary proceeding Mr. Baron has filed against them. Similarly, certain law firms who have represented the Virgin Island entities of which Jeffrey Baron is the beneficiary (specifically, Hohmann, Taube & Summers, Hitchcock Everitt LLP, West & Associates, LLP, and Shrurig Jete Becket Tackett) have filed a Motion for Allowance of Attorneys Fees Pursuant to the Supplemental Settlement Agreement in the Ondova

bankruptcy case [Doc. No. 452, on September 21, 2010], which represents that they have incurred approximately \$150,000 in fees, after the execution of the Global Settlement Agreement, as a result of status conferences and Show Cause hearings involving Mr. Baron and his entities and that there are specific provisions of certain settlement documents that may permit them to seek a court order allowing these to be paid. If the Ondova bankruptcy estate is imposed with administrative expense claims from these or other attorneys (the risk of which appears to be genuine), then it should be entitled to a claim for reimbursement against Mr. Baron or the entity that incurred the fees. It was because of this risk—and also because of the risk that the bankruptcy court believed it might ultimately find Jeffrey Baron in contempt of the bankruptcy court's order approving the Global Settlement Agreement—that the court ordered on September 16, 2010 [Doc. No. 441] that the Village Trust be instructed by Jeffrey Baron to immediately remit \$330,000 to the Ondova Bankruptcy Trustee as a "security deposit" against these risks. Bankruptcy Trustee Daniel Sherman currently holds this \$330,000 of funds, pending further orders of the court.

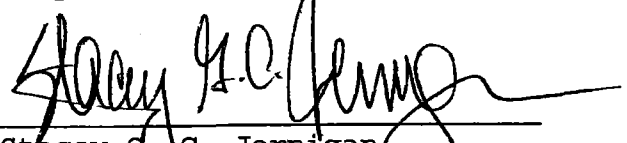
The bankruptcy court now recommends that His Honor appoint his Special Master, Peter Vogel, to conduct a global mediation among Daniel Sherman, Jeffrey Baron, and the various attorneys who may make a claim to this \$330,000 of funds or otherwise may

assert an administrative expense claim against the Ondova bankruptcy estate, in respect of attorneys fees they incurred postpetition for services provided to Jeffrey Baron or entities he controls or is the beneficiary of, and which services may have provided a substantial contribution to the estate. This court has subject matter jurisdiction to make this recommendation, as there could conceivably be an impact on the Ondova bankruptcy estate, if attorneys who represented Jeffrey Baron and his related entities go unpaid and make "substantial contribution" claims against the bankruptcy estate. The bankruptcy court believes that some of these "substantial contribution" claims could be meritorious.

The bankruptcy court has been informed that Mr. Vogel agrees to perform a mediation and that he and Bankruptcy Trustee Sherman are prepared to recommend a format and structure for the mediation and for the participants. The bankruptcy court would defer to Mr. Vogel, Mr. Sherman, and His Honor with regard to the details of the mediation.

Dated: October 12, 2010

Respectfully submitted,



Stacey G. C. Jernigan
United States Bankruptcy Judge

EXHIBIT 13

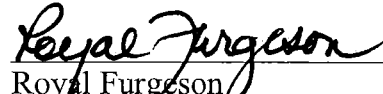
**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC. ET AL.	§	
Plaintiff,	§	
	§	
v.	§	No. 3:09-CV-988-RF
	§	
JEFFREY BARON and ONDOVA	§	
LIMITED COMPANY, et. al.,	§	
Defendant.	§	

ORDER ADOPTING REPORT AND RECOMMENDATION OF THE UNITED STATES BANKRUPTCY JUDGE

BEFORE THE COURT is United States Bankruptcy Judge Stacey G.C. Jernigan’s Report and Recommendation (Docket No. 118), which recommends that this Court appoint Special Master, Peter Vogel, to conduct a global mediation among Bankruptcy Trustee Daniel Sherman, Jeffrey Baron, and the various attorneys who may make a claim for reimbursement against the Ondova bankruptcy estate. After due consideration, the Court is of the opinion that the Bankruptcy Judge’s Report and Recommendation should be ADOPTED IN ITS ENTIRETY. An Order appointing Special Master, Peter Vogel, as mediator of this dispute shall be entered.

Signed this 19th day of October, 2010.



 Royal Furgeson
 Senior United States District Judge

EXHIBIT 14

**ONDOVA LIMITED COMPANY
(Chapter 11 Debtor)**

**PRE-BANKRUPTCY CLAIMS FILED BY LAWYERS OR LAW FIRMS
THAT BARON REFUSED TO PAY**

<u>FIRM</u>	<u>AMOUNT</u>
Aldous Law Firm Attention: Charla Aldous 2305 Cedar Springs, Suite 200 Dallas, TX 75201	Resolved for \$200,000
Bennett, Weston & LaJone 1750 Valley View Lane, Suite 120 Dallas, TX 75234	\$1,100.41
Bickel and Brewer Attention: John Bickel 1717 Main Street, Suite 4800 Dallas, TX 75201	\$42,500.00
Carrington, Coleman, Sloman & Blumenthal, LLP Attn: J. Michael Sutherland 901 Main Street, Suite 5500 Dallas, TX 75202	\$224,223.27
Davis & Beverly, PLLC 1221 Merit Drive, Suite 1660 Dallas, TX 75251	\$11,071.50
Fee Smith Sharp & Vitullo, LLP Attn: Louis Vitullo 13155 Noel Road, Suite 1100 Dallas, TX 75240 Telephone: (972) 934-9200 Facsimile: (972) 934-9200 E-mail: lvitullo@feesmith.com	\$21,404.94
Friedman and Feiger, L.L.P. Attn: Ryan Lurich 5301 Spring Valley Rd., Ste. 200 Dallas, TX 75254 Telephone: (972) 788-1400 Facsimile: (972) 788-2667 E-mail: rlurich@fflawoffice.com	unknown
Giordani Schurig Beckett Tackett LLP 100 Congress Avenue, Suite 2200 Austin, TX 78701	\$12,443.33

**ONDOVA LIMITED COMPANY
(Chapter 11 Debtor)**

**PRE-BANKRUPTCY CLAIMS FILED BY LAWYERS OR LAW FIRMS
THAT BARON REFUSED TO PAY**

<u>FIRM</u>	<u>AMOUNT</u>
Law Offices of Rajiv Jain 10 Corporate Park, Suite 315 Irvine, CA 92612	\$1,379.51
Kerr & Wagstaffe LLP 100 Spear Street, Suite 1800 San Francisco, CA 94105	\$3,335.36
Kevin F. D'Amour, P.C. P. O. Box 10829 St. Thomas, VI 00801	\$1,178.00
Lackey Hershman 3102 Oak Lawn Ave., Suite 777 Dallas, TX 75219	\$6,383.58
Nace & Motley, LLP Attn: Kristy Motley 100 Crescent Court, 7 th Floor Dallas, TX 75201	\$20,073.00
Newman & Newman 505 Fifth Avenue South, Suite 610 Seattle, WA 98104	17,572.86
Owens, Clary & Aiken, L.L.P. 700 North Pearl Street, Suite 1600 Dallas, TX 75201	\$4,887.14
Pronske and Patel Attn: Gerrit Pronske 2200 Ross Avenue, Suite 5350 Dallas, TX 75201 Telephone: (214) 658-6500 Facsimile: (214) 658-6509 E-mail: gpronske@pronskepatel.com	\$9,678.26
Rasanksy Law Firm Attn: Jeff Rasansky 2524 McKinnon, Suite 625 Dallas, TX 75200	Resolved for \$200,000

**ONDOVA LIMITED COMPANY
(Chapter 11 Debtor)**

**PRE-BANKRUPTCY CLAIMS FILED BY LAWYERS OR LAW FIRMS
THAT BARON REFUSED TO PAY**

<u>FIRM</u>	<u>AMOUNT</u>
Reed Smith LLP Raymond Cardozo Dept. 33489 P. O. Box 39000 San Francisco, CA 94139	\$5,000.00
Reyna, Hinds & Crandall 1201 Elm, Suite 3850 Dallas, TX 75270	\$14,875.74
Riney Palter PLLC 5949 Sherry Lane, Suite 1616 Dallas, TX 75225-8009	\$5,141.03
Rowbotham and Associates Attn: Rich Rowbotham 101 Second Street, Suite 1200 San Francisco, CA 94105	\$35,821.00
Randal C. Shaffer The Law Office of Randal C. Shaffer P. O. Box 5129 Dallas, TX 75208	\$30,897.50
Law Offices of Graham R. Taylor 101 Montgomery St., Ste. 2050 San Francisco, CA 94104	\$26,950.00
Thompson & Knight LLP 1722 Routh St., Suite 1500 Dallas, TX 75201-2533	\$1,579.50
TOTAL	\$697,495.93

EXHIBIT 15

**ONDOVA
UNPAID BARON ATTORNEYS' FEES
ACCRUED SINCE ONDOVA BANKRUPTCY FILING**

<u>FIRM</u>	<u>AMOUNT</u>
Gerrit Pronske Pronske and Patel 2200 Ross Avenue, Suite 5350 Dallas, TX 75201 Telephone: (214) 658-6500 Facsimile: (214) 658-6509 E-mail: gpronske@pronskepatel.com	\$241,172.70
Michael B. Nelson, Esq. Attorney & Counselor at Law 2500 Old Crow Canyon Road Bldg. 200, Ste. 225 San Ramon CA 94583 Telephone: (925) 977-8000 Fax: (925) 977-8195 Email: brittany@michaelbnelson.net	\$22,101.05
Dean Ferguson 4715 Breezy Point Dr. Kingwood, TX 77345 Telephone: (713) 834-2399 E-mail: dean@dwferglaw.com	\$20,000.00
Robert J. Garrey, P.C. 114 Salsbury Cir. Murphy, TX 75094	\$1,000,000.00
Jeffrey T. Hall Attorney at Law 7242 Main Street Frisco, TX 75034 Telephone: (972) 335-8346 Facsimile: (972) 335-9191 E-mail: jthallesq@gmail.com	\$5,000.00
Gary G. Lyon P. O. Box 1227 Anna, TX 75409 Telephone: (972) 977-7221 Facsimile: (214) 831-0411 E-mail: glyon.attorney@gmail.com	Unknown

**ONDOVA
UNPAID BARON ATTORNEYS' FEES
ACCRUED SINCE ONDOVA BANKRUPTCY FILING**

<u>FIRM</u>	<u>AMOUNT</u>
David L. Pacione 2911 Turtle Creek Blvd. #900 Dallas, TX 75219 Telephone: (214) 236-0593 E-mail: davidpacione@usa.net	\$47,763.80
Mark Taylor Powers Taylor LLP 8150 North Central Expressway, Suite 1575 Dallas, Texas 75206 Telephone: (214) 239-8900 Facsimile: (214) 239-8901 E-mail: mark@cptlawfirm.com	\$78,058.50
Louie Vitullo Fee Smith Sharp & Vitullo, LLP 13155 Noel Road, Suite 1100 Dallas, TX 75240 Telephone: (972) 934-9200 Facsimile: (972) 934-9200 E-mail: lvitullo@feesmith.com	\$22,988.60
Ryan Lurich Friedman and Feiger, L.L.P. 5301 Spring Valley Rd., Ste. 200 Dallas, TX 75254 Telephone: (972) 788-1400 Facsimile: (972) 788-2667 E-mail: rlurich@fflawoffice.com	\$40,000.00
Stephen Jones Jones, Otjen & Davis 114 East Broadway, Suite 1100 P. O. Box 472 Enid, OK 73702-0472 Telephone: (580) 242-5500 Facsimile: (580) 242-4556 E-mail: sjones@stephenjoneslaw.com	Unknown

**ONDOVA
UNPAID BARON ATTORNEYS' FEES
ACCRUED SINCE ONDOVA BANKRUPTCY FILING**

FIRM

AMOUNT

Eric Taube
Hohmann, Taube & Sanders, LLP
100 Congress Avenue, 18th Floor
Austin, TX 78701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248
E-mail: erict@hts-law.com

Estimated \$200,000
total for Hohman,
Taube & Sanders,
LLP; Schurig Jetel
Beckett Tackett; and
West & Associates

Elizabeth Schurig
Schurig Jetel Beckett Tackett
100 Congress Avenue, 22nd Floor
Austin, TX 78701
Telephone: (512) 370-2732
Facsimile: (512) 370-2751
E-mail: eschurig@sjbt.com

Estimated \$200,000
total for Hohman,
Taube & Sanders,
LLP; Schurig Jetel
Beckett Tackett; and
West & Associates

Craig Capua
West & Associates
320 South R.L. Thornton Freeway
Suite 300
Dallas, TX 75203
Telephone: (214) 941-1881
Facsimile: (214) 941-1399
E-mail: craig.c@westllp.com

Estimated \$200,000
total for Hohman,
Taube & Sanders,
LLP; Schurig Jetel
Beckett Tackett; and
West & Associates

John Cone
Hitchcock Evert LLP
750 North St. Paul Street, Suite 1110
Dallas, TX 75201
Telephone: (214) 953-1111
Facsimile: (214) 953-1121
E-mail: jcone@hitchcockeveret.com

Unknown

Broome Law Firm, PLLC
Stanley D. Broome
105 Decker Court, Ste. 850
Irving, TX 75062
sbroom@broomelegal.com

\$28,175.03

Sidney B. Chesnin
Attorney at Law
4841 Tremont, Suite 9
Dallas, Texas 75246

\$4,952.60

**ONDOVA
UNPAID BARON ATTORNEYS' FEES
ACCRUED SINCE ONDOVA BANKRUPTCY FILING**

<u>FIRM</u>	<u>AMOUNT</u>
James M. Eckels, Esq. 7505 John Carpenter Freeway Dallas, TX 75247 jamesmeckels@gmail.com	\$7,000.00
Joshua E. Cox Attorney at Law P. O. Box 2072 Keller, TX 76244 j.cox.email@gmail.com	\$2,718.75
	TOTAL \$1,719,930.93

EXHIBIT 16

ONDOVA LIMITED COMPANY

**POST-PETITION LAWSUITS
AGAINST JEFFREY BARON**

STYLE

Cause No. 366-04714-2010; *Robert J. Garrey v. Jeffrey Harbin, Jeffrey Baron, The Village Trust, Quantec LLC, and Novo Point LLC*; in the 366th Judicial District Court of Collin County, Texas

Cause No. JC 100721N; *Jeffrey T. Hall v. Jeffrey Baron*, in the Justice Court, Precinct 3, Place, 3, Dallas County, Texas

Cause No. DC-10-05339-K; *Fee, Smith, Sharp & Vitullo, LLP v. Jeff Baron*, in the 192nd Judicial District Court of Dallas County, Texas

Cause No. DC-10-12100-B; *Friedman & Feiger, LLP v. Jeffrey Baron*, in the 44th Judicial District Court of Dallas County, Texas

Cause No. DC-10-06464; *David L. Pacione v. Jeffrey Baron*; in the 101st Judicial District Court of Dallas County, Texas

EXHIBIT 17

ONDOVA LIMITED COMPANY

SECTION 503(b)(9) SUBSTANTIAL CONTRIBUTION CLAIMS

FIRM

AMOUNT

Hohmann, Taube & Sanders, LLP

NOT STATED

Attn: Eric Taube
100 Congress Avenue, 18th Floor
Austin, TX 78701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248
E-mail: erict@hts-law.com

Powers Taylor LLP

\$78,058.50

Attn: Mark Taylor
8150 North Central Expressway
Suite 1575
Dallas, Texas 75206
Telephone: (214) 239-8900
Facsimile: (214) 239-8901
E-mail: mark@cptlawfirm.com

Pronske and Patel

\$241,172.70

Attn: Gerrit Pronske
2200 Ross Avenue, Suite 5350
Dallas, TX 75201
Telephone: (214) 658-6500
Facsimile: (214) 658-6509
E-mail: gpronske@pronskepatel.com

EXHIBIT 18

FILED

FRIEDMAN & FEIGER, L.L.P.,

IN THE DISTRICT COURT

2010 FEB 11 1:01

Plaintiff,

§
§
§
§
§
§
§
§
§
§

GARY FITZGERALD
DISTRICT CLERK
DALLAS CO., TEXAS

vs.

44th JUDICIAL DISTRICT DEPUTY

JEFFREY BARON and
THE VILLAGE TRUST,

Defendants.

DALLAS COUNTY, TEXAS

PLAINTIFF'S SECOND AMENDED ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, Friedman & Feiger, L.L.P. ("Plaintiff" or "F&F") and files this its Plaintiff's Second Amended Original Petition complaining of and against Jeffrey Baron ("Baron") and The Village Trust ("Trust") (Baron and the Trust are collectively referred to as the "Defendants"), and for cause would respectfully show unto the Court as follows:

I.

DISCOVERY CONTROL PLAN

1. This case is intended to be conducted under discovery level 2 in accordance with Texas Rule of Civil Procedure 194.3.

II.

PARTIES

2. Friedman & Feiger, L.L.P. is a Texas limited liability partnership doing business in Dallas County, Texas.

3. Jeffrey Baron is an individual who resides in Dallas County, Texas and may be served with process at his residence located at 2200 E. Trinity Mills Road, Carrollton, Texas 75006.

4. The Village Trust is a trust organized under the laws of the Cook Islands. The

Village Trust has entered an appearance in bankruptcy case no. 09-34784-SGJ-11, *In re Ondova Limited Company*; pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division. Adrian Taylor is the trustee of the Asia Trust, Ltd., which is the trustee of The Village Trust. The Village Trust and Mr. Taylor have consented to the jurisdiction of Texas in proceedings before the bankruptcy court. Adrian Taylor may be served with process by serving him at his principal place of business, located at Asia Trust, Ltd, Level 2, BCI House, P.O. Box 822, Rarotonga, Cook Islands. Alternatively, The Village Trust has transacted business within the State of Texas and is amenable to service of process in accordance with the Texas Long Arm Statute through the Texas Secretary of State.

III.
JURISDICTION & VENUE

5. Jurisdiction is proper in this Court as the damages fall within the jurisdictional limits of this Court.

6. Venue is proper in Dallas County, Texas, because it is the county in which all or a substantial part of the events or omissions which give rise to the claims set forth below occurred. Tex. Civ. Prac. Rem. Code § 15.002. Further, venue is proper in Dallas County, Texas, because the contract, made the basis of this suit, was entered into in Dallas County, Texas and to be performed in Dallas County, Texas. Tex. Civ. Prac. Rem. Code § 15.035.

IV.
BASIS OF SUIT

7. This is a suit brought by F&F to collect the balance owed from Defendants for legal services provided to Baron at the specific request of Baron.

V.
FACTS

8. On or about June 23, 2009, Baron retained F&F in connection with a lawsuit

styled: Civil Action No. 3:09-CV-0988-M, *Netsphere, Inc., Manila Industries, Inc. and Munish Krishan v. Jeffrey Baron and Ondova Limited Company*; pending in the United States District Court for the Northern District of Texas, Dallas Division (the "Lawsuit"). At that time, Baron signed a written fee agreement with F&F, memorializing a contract for legal services.

9. Baron represented that he was unable to personally pay for F&F's services, but that the Trust would pay and be responsible for paying F&F's fees for services rendered. In fact, the Trust wire transferred the initial retainer to F&F prior to it commencing any work on Baron's behalf. Based upon this representation, F&F agreed to provide legal services for Baron.

10. Shortly thereafter, on or about July 1, 2009, at a hearing in the Lawsuit, the Court, based upon its concern that Baron and Ondova Limited Company ("Ondova") had changed counsel as a tactic to delay proceedings, ordered that F&F was lead counsel for Baron and Ondova, that Baron and Ondova must first obtain approval from the Court to employ new or additional counsel, and that F&F would not be permitted to withdraw. The Court also ordered that monetization monies that were to be paid to Baron and Ondova be paid into F&F's trust account to secure the payment of F&F's fees for services rendered and to be rendered.

11. On July 27, 2009, Ondova filed a voluntary petition under Title 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas. As of that point in time, F&F no longer had authority to represent Ondova. While F&F did file an application to be employed as special counsel for Ondova, that application was subsequently withdrawn by agreement after the Bankruptcy Court appointed a Chapter 11 Trustee over Ondova. But, F&F continued to represent Baron in the Lawsuit.

12. Subsequently, an irreconcilable conflict of interest developed between F&F and Baron, which forced F&F to file a Motion to Withdraw from continuing to represent Baron in the Lawsuit.

13. At that time, Baron owed F&F approximately 40,000. Prior to F&F's withdrawal being approved by the Honorable Royal Furgeson, F&F and Baron reached a settlement regarding the outstanding balance owed to F&F. And on January 29, 2010, the Honorable Royal Furgeson entered an Order Granting Friedman & Feiger, L.L.P.'s Motion to Withdraw.

14. There were several terms of the settlement that were performed by both F&F and Baron at the hearing before the Honorable Royal Furgeson on January 29, 2010. In addition to the terms that have already been performed, F&F agreed to the \$40,000 outstanding balance down to \$25,000 in exchange for and conditioned on Baron's immediate payment thereof. Notwithstanding, F&F's full performance of the terms of the settlement, Baron breached his agreement to pay F&F the reduced amount of \$25,000 in full satisfaction of the outstanding fees owed to F&F immediately.

15. As a result of Baron's failure to honor the settlement agreement, he is not entitled to a reduction of the amount he owes F&F for services rendered. Accordingly, after applying all just and lawful payments, credits, and offsets, the total value of the services provided by F&F on Baron's behalf in the Lawsuit and still owing is approximately \$40,000.

16. Demand has been made on Baron on numerous occasions. Notwithstanding, Baron has failed and refused, and continues to fail and refuse, to pay F&F its outstanding fees and expenses owed for services rendered in the Lawsuit after July 27, 2009.

VI. CLAIMS

Count One -- Breach of Contract

17. F&F incorporates and realleges the allegations set forth above.

18. At the request of Baron, F&F provided legal services to Baron. Baron agreed to pay F&F its usual and customary charges for the services rendered.

19. To date, notwithstanding F&F's demands, Baron has failed and refused, and continues to fail and refuse, to pay F&F for the services rendered.

20. As a result of Baron's breach of contract, Baron has proximately caused actual damages to F&F in the approximate amount of \$49,000, plus consequential damages and pre and post judgment interest as allowed by law.

Count Two – Quantum Meruit

21. F&F incorporates and realleges the allegations set forth above.

22. Pleading in the alternative, if such be necessary, the legal services furnished to Baron were provided under such circumstances that Baron knew that F&F, in performing legal services, expected to be paid F&F's usual and customary charges for such services. The legal services provided to Baron were for the benefit of Baron. Baron would be unjustly enriched, and F&F unjustly penalized, if Baron was allowed to retain the benefits of such services without paying for them.

23. As a result of Baron's failure and refusal to pay for the legal services rendered, Baron has proximately caused actual damages to F&F in the approximate amount of \$49,000, plus consequential damages and pre and post judgment interest as allowed by law.

Count Three – Attorney's Fees

24. F&F incorporates and realleges the allegations set forth above.

25. In accordance with Tex. Civ. Prac. & Rem. Code §38.01 *et. seq.*, F&F is entitled to recover its reasonable attorney's fees incurred in prosecuting this action. F&F presented the above-described claim to Baron, but Baron has failed and refused to tender the just amount owed.

26. As a result of Baron's failure and refusal to pay the claims, F&F has been required to obtain legal counsel to bring this suit. F&F is, therefore, entitled to recover an

additional sum to compensate it for the reasonable attorney's fees incurred in bringing this suit, with further and subsequent awards of attorney's fees in the event of appeals from this Court.

Count Four – Fraud

27. F&F incorporates and realleges the allegations set forth above.

28. Defendants made material misrepresentations of fact to Plaintiff. Defendants' representations were false and they knew the representations were false or acted with reckless disregard to the truth or falsity of the representations. Defendants intended that Plaintiff act upon the false representations when agreeing to perform legal services on behalf of Baron and Plaintiff did rely on the false misrepresentations to its detriment and damage. Furthermore, Plaintiff will show that Defendants' conduct, as described above, was willful and malicious and, as a result, Plaintiff is entitled to recover exemplary damages to deter such conduct by others in the future.

29. As a result of Defendants' fraud, Plaintiff has suffered actual, consequential, and incidental damages.

30. As a further result of Defendants' fraud, Plaintiff is entitled to recover punitive damages.

Count Five – Alter Ego

31. F&F incorporates and realleges the allegations set forth above.

32. Baron is the settlor and beneficiary of the Trust. Baron has used the Trust as a sham and to perpetuate actual fraud upon Plaintiff.

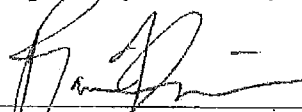
33. Plaintiff will show that the identity of the Trust and Baron are in substance one and the same; that the Trust is but the alter ego of Baron, acting solely as a conduit for the performance of Baron's personal and business endeavors, and a device to cause harm, defraud or prejudice to those dealing with them. As a consequence, the Trust should be held responsible for any and all liabilities found against Baron.

VII.
CONDITIONS PRECEDENT

31. All conditions precedent necessary for F&F to have and recover in this action have been performed, have occurred, or have been waived.

WHEREFORE, PREMISES CONSIDERED, Friedman & Feiger, L.L.P. respectfully requests that process issue and be served on Jeffrey Baron and The Village Trust; that, upon final hearing, F&F have and recover judgment from and against Baron in the amounts set forth above, for reasonable attorney's fees incurred by F&F to prosecute this action, for costs and expenses of suit herein, for pre-judgment and post-judgment interest on all monetary relief sought herein at the highest rates allowed by law; for punitive damages; and, for such other and further relief, both general and special, at law and in equity, to which Friedman & Feiger, L.L.P. may be justly entitled.

Respectfully submitted,



Lawrence J. Friedman
Texas Bar No. 07469300
Ryan K. Lurich
Texas Bar No. 24013070

FRIEDMAN & FEIGER, L.L.P.
5301 Spring Valley Road, Suite 200
Dallas, Texas 75254
(972) 788-1400 (Telephone)
(972) 776-5313 (Telecopier)
lfriedman@fflawoffice.com
rlurich@fflawoffice.com

ATTORNEYS FOR PLAINTIFF
FRIEDMAN & FEIGER, L.L.P.

EXHIBIT 19

III.

FACTS

Hall is an attorney. Baron retained Hall to represent Baron in several lawsuits to which Baron was a Defendant. Over the course of this representation, Hall and Baron (the "Parties") had a written fee agreement that was modified by agreement of the parties and ratified by the Parties' course of performance. Alternatively, pursuant to an open account, Hall agreed to provide Baron with legal services (the "Services") in return for Baron's promise to pay for the same. The Services were provided at the special insistence of Baron and in the regular course of business. Baron accepted the Services and agreed to pay Hall his designated fee, which is reasonable and customary fee for such services.

Thereafter, Baron's account became past due for services provided through the end of March 2010. Hall called and sent notice communications to Baron requesting payment for the Services requested and accepted by Baron. Despite the demands made by Hall, Defendant failed and refused, and continues to fail and refuse, to pay Hall for the outstanding amounts due on his account through the end of March 2010. After all just and lawful credits, payments and offsets have been allowed, Baron presently owes Hall \$5,000.00 for Services provided through the end of March 2010. The open account consists of the following open invoice:

Invoice No.	Date:	Amount Still Owing:
252	4/13/10	\$5,000.00

All conditions precedent to Hall's right to recover in this matter has been fulfilled, have occurred, or have been waived.

IV.

CAUSES OF ACTION

COUNT ONE: BREACH OF CONTRACT

Each of the foregoing paragraphs is incorporated and reasserted herein by reference.

Hall provided and delivered Services to Baron pursuant to the contract between the parties. The Services were provided at the request of Baron. Baron accepted the Services and agreed to pay Hall the agreed fee, which is a reasonable, usual and customary fee for such services. Baron has not paid and continues to refuse to pay Hall under the Contract. Hall has been damaged under the contract in the amount of \$5,000.00.

Hall has demanded that Baron pay the amount due and has indicated that Hall would commence suit for collection of the full amount due, plus interest, court costs and attorneys' fees, if Baron failed to pay the amount due and owing.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

COUNT TWO: SWORN ACCOUNT

Each of the foregoing paragraphs is incorporated and reasserted herein by reference.

In the ordinary course of its business, Hall provided and delivered the Services to Baron. The Services were provided at the request of Baron. Baron accepted the Services and agreed to pay Hall the agreed fee, which is a reasonable, usual and customary fee for such services. A systematic record of the Services was kept. This account is evidenced and supported by the Affidavit of Hall and the invoice that is attached thereto, all of which are attached hereto as *Exhibit "A"* and incorporated herein by reference.

Despite demand by Hall for payment, Baron has defaulted in making payment on the account. The principal amount due Hall on the account, after all just and lawful offsets credits and payments have been allowed, is \$5,000.00.

Hall has demanded that Baron pay the amount due and has indicated that Hall would commence suit for collection of the full amount due, plus interest, court costs and attorneys' fees, if Baron failed to pay the amount due and owing.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

COUNT THREE: QUANTUM MERUIT

Each of the foregoing paragraphs are incorporated and reasserted herein by reference.

In the alternative, Hall, acting in the ordinary course of business, furnished Baron with the Services as detailed above. Baron received and accepted the Services thereby unjustly enriching Baron at Hall's expense. Baron knew, or should have known, that the Services were provided in anticipation of compensation and were not furnished gratuitously. After all offsets, payments and credits, the reasonable unpaid value of the Services delivered is \$5,000.00. Despite demand, Baron has wrongfully refused to pay the fair value of the Services retained, for which sum Hall sues.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

ATTORNEYS' FEES

Each of the foregoing paragraphs are incorporated and reasserted herein by reference.

Hall has previously presented Baron with written demand for his claims as stated herein. Despite demand, Baron has failed and refused to pay the balance due. As a result, Hall has been required to retain the law firm of Jeffrey T. Hall, Attorney, to enforce Hall's rights and has

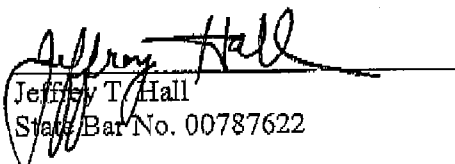
agreed to pay the firm a reasonable fee for its services. Hall has incurred, and will continue to incur, reasonable attorneys' fees, which he seeks to recover as damages from Baron pursuant to the Application, the Agreement, and Section 38.001(7) of the Texas Civil Practice and Remedies Code.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

WHEREFORE, PREMISES CONSIDERED, Hall requests that Baron be cited to appear and answer this Petition and that upon final hearing, Hall have judgment against Baron as follows:

1. for the full amount owed based on Count One, Count Two, and Count Three in the amount of \$5,000.00;
2. for reasonable and necessary attorneys' fees for pre-trial, trial and any subsequent appeal;
3. for pre-judgment interest at the highest rate permitted at law;
4. for post-judgment interest at the highest rate permitted at law;
5. for all costs of suit; and
6. for such other and further relief, at law and in equity, both general and special, to which Hall may be justly entitled to receive.

Respectfully submitted,


Jeffrey T. Hall
State Bar No. 00787622

7242 Main Street
Frisco, Texas 75034
(972) 335-8346 (Telephone)
(972) 335-9191 (Facsimile)

AFFIDAVIT OF JEFFREY T. HALL

STATE OF TEXAS §
 §
COUNTY OF DENTON §

BEFORE ME, the undersigned authority, on this day personally appeared JEFFREY T. HALL, who being by me duly sworn on his oath deposed and said:

1. "My name is JEFFREY T. HALL. I am of sound mind and capable of making this Affidavit. I am over the age of 18 years and have never been convicted of a felony nor any crime of moral turpitude. I am competent to testify to the matters contained in this Affidavit. Every statement made in this Affidavit is made on my personal knowledge and is true and correct.

2. "I am an attorney, licensed by the State of Texas since 1993, the person who provided the Services complained of to the Defendant, and I am duly authorized to execute this affidavit.

3. "Jeffrey Baron ("Baron") retained me to represent Baron in several lawsuits to which Baron was a Defendant. Over the course of this representation, Baron and I (the "Parties") had a written fee agreement that was modified by agreement of the parties and ratified by the Parties' course of performance. Furthermore, pursuant to an open account, I agreed to provide Baron with legal services (the "Services") in return for Baron's promise to pay me for the same. The Services were provided at the special insistence of Baron and in the regular course of business. Baron accepted the Services and agreed to pay me my designated fee, which is reasonable and customary fee for such services. On or about April 13, 2010, I presented Baron with the attached Invoice, a true and correct copy of which is attached hereto as *Exhibit "1"* and incorporated herein by reference.

Exhibit "A"

4. "Baron defaulted in making payments on the account, despite my demand upon Baron for payment.

5. "As a result of Baron's default, I had to engage Jeffrey T. Hall, Attorney, to pursue collection. The Attorney is charging \$350.00 per hour for his efforts in collecting this debt from Baron.

6. "Through the end of March 2010, the total amount owed and unpaid by Baron on the account is \$5,000.00. The unpaid amount of the account is just, true, due and payable and all lawful offsets, payments, and credits have been applied toward the amount due.

7. "I have read Plaintiff's Original Petition in the above-styled and numbered cause and the facts contained therein are within my personal knowledge and are true and correct."

FURTHER AFFIANT SAYETH NAUGHT.

Jeffrey T. Hall

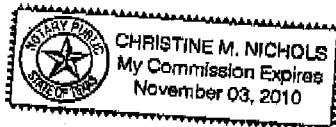
JEFFREY T. HALL

SUBSCRIBED AND SWORN TO BEFORE ME on this the 3 day of September,

2010, to certify which witness my hand and official seal.

Christine M. Nichols

Notary Public, in and for the
State of Texas



Jeffrey T. Hall
 Attorney at Law
 7242 Main Street
 Frisco, Texas 75034

Invoice

Date	Invoice #
4/13/2010	252

Bill To
Mr. Jeff Baron 2200 E. Trinity Mills Road, #106 Carrollton, Texas 75006

			Billing Atty	Project		
			JTH			
Date	Description	Timekeeper	Hours	Rate	Amount	
3/24/2010	Legal representation for February 1-28, 2010 pursuant to flat fee representation agreement.			10,000.00	10,000.00	
4/7/2010	Legal representation for March 1-31, 2010 pursuant to flat fee representation agreement.			15,000.00	15,000.00	
			Total		\$25,000.00	
			Payments/Credits		\$0.00	
			Balance Due		\$25,000.00	
			Job Total Balance		\$25,000.00	

Phone #
(972) 335-8346

Exhibit "1"

EXHIBIT 20

CAUSE NO. 366-04714-2010

ROBERT J. GARREY,

IN THE DISTRICT COURT

Plaintiff

v.

COLLIN COUNTY, TEXAS

JEFFREY HARBIN, JEFFREY
BARON, THE VILLAGE TRUST,
QUANTEC LLC, AND NOVO
POINT LLC,

Defendants.

366 JUDICIAL DISTRICT

PLAINTIFF'S FIRST AMENDED PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff files this lawsuit against Defendants Jeffrey Harbin, Jeffrey Baron, The Village Trust, Quantec LLC, Novo Point, LLC, as follows:

PARTIES

1. This lawsuit should be governed by Level II.
2. Plaintiff is a resident of Collin County Texas. Jurisdiction and venue are proper in the Court.
3. Defendant Harbin is a resident of Dallas County, Texas, and may be served where he is found or at his residence 6503 Camille Ave., Dallas, Texas 75252.
4. Defendant Baron is a resident of Dallas County, Texas, and may be served where he is found or at his residence 2200 E. Trinity Mills Road, Carrollton, Texas 75006.
5. Defendant The Village Trust, is a Cook Islands trust acting by and through its sole beneficiary, Baron. The "nominal" Trustee of the Trust is Mr. Brian Mason who is located at Asia Trust Ltd, Level 2, BCI House, P.O Box 822, Rarotonga, Cook Islands. Corporate

Page 1 of 6

FILED
10 NOV 19 PM 2: 53
HANNAH KUNKLE
DISTRICT CLERK
COLLIN COUNTY, TEXAS
BY *Kunkle*

formalities have been ignored such that service on Defendant Baron, the sole beneficiary of the trust and the person directing its activities, is sufficient to constitute service of citation on The Village Trust. In addition, the Trust has consented to jurisdiction of the State of Texas by participating in legal proceedings in Texas, maintaining an office in Texas, and allowing Baron to manipulate the form of the Trust as part of his scheme to defraud creditors of the bankruptcy of one of his companies, Ondova Limited.

6. Quantec LLC is one of the shell entities controlled by Baron and, upon information and belief, is used as a shell entity to hide assets from Baron's creditors and creditors of Baron's former company, Ondova Limited. Quantec LLC is managed by Defendant Harbin. Corporate formalities have been disregarded and Baron directs and controls the activities of Quantec by and through Harbin, such that service on Harbin, the "Managing Agent" of Quantec LLC is sufficient to constitute service of citation on Quantec LLC.

7. Novo Point LLC is one of the shell entities controlled by Baron and, upon information and belief, is used as a shell entity to hide assets from Baron's creditors and creditors of Baron's former company, Ondova Limited. Novo Point LLC is managed by Defendant Harbin. Corporate formalities have been disregarded and Baron directs and controls the activities of Novo Point LLC by and through Harbin, such that service on Harbin, the "Managing Agent" of Novo Point LLC is sufficient to constitute service of citation on Novo Point LLC.

FACTS

8. Defendant Baron is a liar, cheat and thief. For more than three years he has embarked upon a plan and scheme to use shell companies and The Village Trust to defraud creditors and to circumvent orders from federal District Court and Bankruptcy Court judges.

Specifically, Baron-through his shell companies Quantec LLC and Novo Point LLC and the Village Trust- and with the assistance of Harbin routinely hire attorneys to represent their illegal interests then promptly refuse to pay them for the services rendered. Baron has been noted as a vexatious litigant by more than one Court, he has been accused of seeking to defraud creditors in a pending bankruptcy and he has violated court orders restricting his further ability to hire more lawyers. At the present time more than 15 lawyers and law firms are seeking recovery of money, ordered to be set aside by court order, for legal services rendered to Baron and The Village Trust and other entities controlled by Baron.

9. Baron, acting on his own behalf and on behalf of the entities he controls, and Harbin as the "Managing Agent" for Quantec LLC, and Novo Point, LLC hired Plaintiff as General Counsel for a minimum 3 month engagement. Defendants made promises to Plaintiff that he would be paid, that sufficient cash resources existed for him to be paid and that the operation Baron was running was adequately funded and presented an ongoing, viable business opportunity. However, none of that was true. Moreover, Defendants concealed from Plaintiff the true objective of their enterprise which was to circumvent court orders, continue a pattern of theft of legal services, and seek to disregard and flaunt court orders from federal District Court and Bankruptcy Court Judges. Based upon the promises made and without the benefit of the information withheld from him, Plaintiff left his law firm position and began work for Defendants on November 1, 2010. Before doing so, Plaintiff negotiated and the parties agreed to an engagement agreement with a minimum three month term.

10. Immediately upon reporting to work on November 1, 2010, Defendants changed the scope of Plaintiff's assignments. Instead of performing services as General Counsel for Quantec and Novo Point, Plaintiff was instructed by Baron to violate court orders, engage in

numerous questionable, if not fraudulent, transactions, and specifically assist him as he sought to steal legal services from private attorneys working for him directly and for his shell companies. The primary objective of Baron's conspiracy was to leverage the stolen legal services from *current* attorneys to pay as little money as possible to *previous* attorneys who were making claims against him and his shell companies in related litigation.

11. The second, and perhaps more egregious objective of Baron's conspiracy was the fact that Baron, upon information and belief, operated his shell companies- with the assistance of Harbin- as a common enterprise; moving money from one entity to another and directing the activities of all of the entities solely for his personal best interests in an attempt to emerge with ample financial resources from the shell entities to reconstitute his bankrupt company, Ondova Limited.

12. Once Plaintiff started to work for Defendants, Harbin became unavailable to Plaintiff. Harbin refused to take Plaintiff's calls or respond to emails. Also, Harbin refused to formally sign the engagement agreement that had been negotiated and agreed to by all parties.

13. The first payment due Plaintiff was due on November 15, 2010, and Harbin refused to pay it. His refusal is without cause or justification. Defendants refused to pay Plaintiff because he was advocating for the payment of all attorneys rendering services to Defendants and he was not in favor of violating court orders and refused to do so. All conditions precedent to the payment obligation have been performed. Indeed, in hindsight it appears very clear that Baron and Harbin's actions were part of an overall plan and conspiracy to steal legal services, perpetrate a fraud on Plaintiff and on various courts, in addition to breaching the agreement with Plaintiff.

CAUSES OF ACTION

7. Defendants entered into an agreement with Plaintiff pursuant to which Plaintiff was to provide legal services as General Counsel for Defendants for a minimum 3 month period of time. Plaintiff started work on November 1, 2010. The first payment was due Plaintiff on or before November 15, 2010. Defendants failed to pay Plaintiff as required. Thus, Defendants have breached the engagement agreement by failing and refusing to pay Plaintiff the sums agreed upon despite Plaintiff's work for Defendant. In the alternative, Plaintiff has provided services to Defendants for which he has not been paid and recovery, via quantum meruit is appropriate.

8. Defendant Harbin, acting individually and on behalf of the entities he managed, and Baron, acting individually and on behalf of the entities he controlled: The Village Trust, Quantec LLC and Novo Point LLC, made numerous false and misleading statements intended to induce Plaintiff to leave his law firm position to take the position of General Counsel for Defendants' various companies. At the time Defendants made such representations, they knew or should have known such statements were false, that they had no intention of following through with any of them, including, but not limited to payment to Plaintiff for services provided. In fact, Defendants expressly concealed from Plaintiff their pattern and practice of regularly hiring attorneys, requiring them to perform a great deal of work in a short period of time, and refusing to pay for such services, or their plan to seek to circumvent federal court orders. *Defendants regularly lie, cheat and steal professional services!* Plaintiff has suffered actual and consequential damages as a result of Defendants' fraud.

9. Defendants' actions were carried out intentionally, with malice and a specific intent to deceive. As a result the imposition of punitive damages is warranted.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiff respectfully requests that this Court, after final trial award: actual damages for breach of contract, attorneys fees and court costs, all actual damages resulting from Defendants' fraud, and an appropriate sum for punitive damages to punish and deter Defendants from continuing their fraudulent practices. Total damages sought will be no less than \$1,000,000.00.

Respectfully submitted,

By: Robert J. Garrey

Robert J. Garrey, P.C.
State Bar No. 07703420

114 Salsbury Cir.
Murphy, Texas 75094
(214) 478 9625 (Telephone)
bgarrey@gmail.com

EXHIBIT 21

EXHIBIT 21

REGISTER OF ACTIONS
CASE NO. DC-10-06464

DAVID PACIONE vs. JEFFREY BARON

§
§
§
§
§

Case Type: **CNTR CNSMR COM DEBT**
 Date Filed: **05/27/2010**
 Location: **101st District Court**

PARTY INFORMATION

DEFENDANT BARON, JEFFREY

Lead Attorneys
SIDNEY BENNETT
CHESNIN

Retained

214-404-9193(W)

PLAINTIFF PACIONE, DAVID L

KENT STARR

Retained

214-219-8440(W)

EVENTS & ORDERS OF THE COURT

- DISPOSITIONS**
- 11/15/2010 **DISMISSED FOR WANT OF PROSECUTION** (Judicial Officer: LOWY, MARTIN)
 Vol./Book 438E, Page 413, 1 pages
- OTHER EVENTS AND HEARINGS**
- 05/27/2010 **ORIGINAL PETITION (OCA)**
- 05/27/2010 **ISSUE CITATION**
- 05/27/2010 **CITATION**
 ATTY
 BARON, JEFFREY Served 06/27/2010
 Returned 06/29/2010
- 08/12/2010 **ISSUE CITATION**
- 08/12/2010 **AMENDED PETITION**
- 08/13/2010 **CITATION**
 (1ST AMD PET) - ATTY
 BARON, JEFFREY Served 09/28/2010
 Returned 10/01/2010
- 08/13/2010 **NOTE - CLERKS**
 - SENT E-MAIL NOTIFICATION TO ATTY, CITATION READY FOR PICK UP
- 09/10/2010 **CANCELED Status Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
 REQUESTED BY ATTORNEY/PRO SE
 ATTY SAYS D WILL BE SERVED 9/11 OR 9/12. ASKED FOR RESET
- 09/17/2010 **CANCELED Status Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
 REQUESTED BY ATTORNEY/PRO SE
 P MAILING 106 9/16/10
- 09/17/2010 **MOTION - SUBSTITUTE SERVICE**
- 09/20/2010 **ORDER - SUBSTITUTE SERVICE**
 Vol./Book 437E, Page 777, 2 pages
- 09/22/2010 **NOTE - CLERKS**
 C-PLTF SUB SVC
- 10/08/2010 **ORIGINAL ANSWER - GENERAL DENIAL**
- 10/22/2010 **CANCELED Status Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
 BY COURT ADMINISTRATOR
 D ANSWERED
- 11/05/2010 **Scheduling Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
- 11/15/2010 **NOTE - CLERKS**
 C-ALL DWOP
- 11/18/2010 **MOTION - SUBSTITUTION OF COUNSEL**
- 11/18/2010 **MOTION - REINSTATE**
- 11/22/2010 **RULE 11**
- 12/02/2010 **ORDER - SUBSTITUTION OF COUNSEL**
 Vol./Book 438E, Page 606, 1 pages
- 12/02/2010 **ORDER - REINSTATE (OCA and REOPEN CASE)**
 Vol./Book 438E, Page 607, 1 pages
- 12/03/2010 **SCHEDULING ORDER**

Vol./Book 438E, Page 680, 3 pages
 12/06/2010 MOTION-ABATEMENT
 12/08/2010 NOTE - CLERKS
 C-ALL SCHEDULING ORDER AND TRIAL NOTICE
 01/07/2011 CANCELED Scheduling Conference (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
 BY COURT ADMINISTRATOR
 SKED ORDER SUBMITTED W/ M/REINSTATE
 08/22/2011 TRIAL SETTING (NON JURY)
 08/22/2011 Non Jury Trial (9:00 AM) (Judicial Officer LOWY, MARTIN)

 FINANCIAL INFORMATION

	D EFENDANT BARON, JEFFREY		
	To tal Financial Assessment		2.00
	To tal Payments and Credits		2.00
	B alance Due as of 12/09/2010		0.00
10/08/2010	Tr ansaction Assessment		2.00
10/13/2010	PAY MENT (CASE Receipt # 90536-2010-DCLK FEES)	PENNY ROGERS	(2.00)
	PL AINTIFF PACIONE, DAVID L		
	To tal Financial Assessment		327.00
	To tal Payments and Credits		303.00
	B alance Due as of 12/09/2010		24.00
05/27/2010	Tr ansaction Assessment		247.00
05/27/2010	Tr ansaction Assessment		8.00
05/27/2010	PAY MENT (CASE Receipt # 46005-2010-DCLK FEES)	STARR & ASSOCIATES	(255.00)
08/12/2010	Tr ansaction Assessment		48.00
08/16/2010	PAY MENT (CASE Receipt # 69803-2010-DCLK FEES)	STARR, KENT	(48.00)
11/18/2010	Tr ansaction Assessment		22.00
11/22/2010	Tr ansaction Assessment		2.00

5/27/10
KR

1-CIT-ATTY

CAUSE NO.: 10-06464

FILED

DAVID L. PACIONE,

Plaintiff

vs.

JEFFREY BARON,

Defendant

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IN THE DISTRICT COURT

STATE INTERIMONS
DEPUTY CLERK
DALLAS CO., TEXAS.
101st JUDICIAL DISTRICT
MIGUEL HERNANDEZ

DALLAS COUNTY, TEXAS

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE UNITED STATES DISTRICT JUDGE:

COMES NOW, David L. Pacione, ("Pacione"), and files this, his Original Petition and, for cause, would show the Court, as follows:

I.
Parties

1. David L. Pacione. is an individual residing and doing business in Dallas, County, Texas.
2. Jeffrey Baron ("Baron") is an individual who resides in Dallas County, Texas and may be served with process at his residence, Trinity Meadows Condominiums, 2200 E. Trinity Mills Road, Unit #106, Carrollton, Texas 75006.

II.
Jurisdiction and Venue

3. This Court has jurisdiction and venue is correct for this lawsuit, pursuant to Tex. Civ. Prac. and Rem. Code § 15.002(a)(1), as the services rendered that make the basis of this lawsuit were performed in Dallas County, Texas.

1-CIT
ATTY

III.
Discovery Control Plan

4. Plaintiff elects to conduct discovery under Texas Rule of Civil Procedure 190.2.

IV.
Basis of Suit

5. This verified suit is brought by Pacione to collect attorney's fees owed to him by Baron for legal services provided by Pacione to Baron at Baron's specific request.

V.
Facts

6. On or about January 20, 2010, in connection with the litigation styled, Cause No. 3:09-cv-0988-F; *Netsphere, Inc., et al. vs. Jeffrey Baron and Ondova Limited Company*; pending in the United States District Court for the Northern District of Texas, Dallas Division, Baron retained Pacione, a Texas-licensed attorney, to assist Baron's lead counsel, Jeffrey T. Hall, Esq. ("Hall"), in his legal representation of Baron individually in the above-styled cause (the "Lawsuit").

7. On January 29, 2010, Pacione appeared before the United States District Court for the Northern District of Texas, Dallas Division and the Honorable Royal Ferguson during a Status Conference hearing for that case. Pacione announced his additional representation of Baron, along with Baron's lead counsel, Hall, in this Lawsuit. Noting Baron's prolific attorney representation throughout that litigation, Judge Ferguson, nonetheless, welcomed Pacione's announcement.

8. At the conclusion of February 2010, Pacione ceased his representation of Baron as an irreconcilable difference developed between Pacione and Baron. Specifically, Baron, despite his repeated promises, has failed to compensate Pacione for his earned legal services.

9. When Baron hired Pacione to assist Hall, Baron agreed to compensate Pacione for

his legal services on an \$8,000.00 per month flat-fee basis and reimburse any incurred legal expenses. For his work on Baron's behalf over the final week of January 2010, Baron agreed to pay Pacione a pro-rated fee of \$2,000.00. This agreement is memorialized by Pacione's billing invoice, which was sent to and received by Baron on February 9, 2010. The verified claim, attached hereto, is marked as Exhibit "A" and incorporated herein by reference.

10. For this time frame, Pacione worked well over 200 hours on myriad tasks for Baron related to the Lawsuit. In addition, Pacione also incurred legal expenses in the Lawsuit. These legal services were reasonably worth the sum of money charged to Baron.

11. Baron received and accepted the benefit of Pacione's efforts and expenditures. Throughout this same period, Pacione repeatedly inquired about his payment from Baron. In response, Baron consistently verified with Pacione that he would be paid. At no time before the end of February 2010 did Baron ever question Pacione's billing invoice or the parties' agreed to flat-fee agreement.

12. At the conclusion of February 2010, when Pacione, again, asked for payment of ^{attached} his earned attorney's fees and incurred legal expenses, Baron refused to pay same. Since then, Pacione has made numerous, unsuccessful attempts to secure payment of his attorney's fees.

VI. **Claims**

Count One – Breach of Contract

13. Pacione incorporates, by reference, each of the allegations as previously set forth hereinabove.

14. At Baron's express request, Pacione provided substantial contracted legal services to Baron between January 25, 2010 and February 28, 2010. After negotiation, Baron agreed to pay Pacione an \$8,000.00 per month flat-fee for general legal services rendered, as well as

reimbursement for any incurred legal expense. For the January 25 – January 31, 2010 time frame, Baron agreed to pay Pacione a pro-rated flat-fee of \$2,000.00.

15. In good faith, Pacione provided said legal services to Baron, totaling well over 200.00 hours.

16. To date, notwithstanding Pacione's repeated demands, Baron has utterly failed and refused, and continues to fail and refuse, to pay Pacione for services rendered and incurred legal expenses.

17. As a result of Baron's breach of contract, Baron has proximately caused actual damages to Pacione in the amount of \$10,023.80, plus consequential damages, including attorney's fees, and pre- and post-judgment interest, as allowed by law.

Count Two – Quantum Meruit

18. Pacione incorporates, by reference, each of the allegations as previously set forth hereinabove.

19. Pleading in the alternative, if same should be necessary, the legal services and incurred legal expenses were provided to Baron under such circumstances that Baron knew that Pacione, in performing legal services on Baron's behalf, expected to be paid.

20. The substantial legal services provided to and accepted by Baron between January 25, 2010 and February 28, 2010—approximately 238.70 hours worth of same—were for the benefit of Baron. Baron would be unjustly enriched, and Pacione severely penalized, if Baron was allowed to retain the benefits of such services without paying for them.

21. For such services, when handled on an hourly fee rate, Pacione charges \$200.00/hr. Such an hourly fee is usual, customary and reasonable within the Dallas legal

community.

22. As a result of Baron's failure and refusal to pay for legal services rendered, including expenses, Baron has proximately caused actual damages to Pacione in the amount of \$47,763.80, plus consequential damages, including attorney's fees, and pre- and post-judgment interest as allowed by law.

Count Three – Attorney's Fees

23. Pacione incorporates, by reference, each of the allegations as previously set forth hereinabove.

24. In accordance with Tex. Civ. Prac. & Rem. Code § 38.01, *et seq.*, Pacione is entitled to recover his reasonable attorney's fees incurred in prosecuting this action. Pacione presented the above-described claim to Baron, however, Baron has failed and refused to tender the just amount owed.

25. As a result of Baron's failure and refusal to pay Pacione his earned legal services fees, Pacione has been required to obtain legal counsel to bring this suit. Pacione is, therefore, entitled to recover an additional sum to compensate him for the reasonable attorney's fees incurred in bringing this suit, with further and subsequent awards of attorney's fees in the event of appeals from this Court.

VII.
Conditions Precedent

26. All conditions precedent necessary for Pacione to have and recover in this action have been performed, have occurred or have been waived.

WHEREFORE, PREMISES CONSIDERED, David L. Pacione prays that process issue and be served on Jeffrey Baron; that, upon final hearing, Pacione have and recover judgment from and against Baron in the amounts set forth above, for reasonable attorney's fees

incurred by Pacione to prosecute this action, for costs and expenses of suit herein, for pre- and post-judgment interest on all monetary relief sought herein at the highest lawful rate; and, for such other and further relief, both general and special, at law and in equity, to which he is justly entitled.

Respectfully submitted,

STARR & ASSOCIATES, P.C.

By: 

KENT W. STARR

State Bar Number: 00798527

777 E. 15TH Street

Suite 203

Plano, Texas 75074

(214) 219-8440 (telephone)

(214) 219-8441 (facsimile)

ATTORNEYS FOR PLAINTIFF DAVID L.
PACIONE

EXHIBIT

A

David L. Pacione, Esq.
6602 Warm Breeze Lane
Dallas, Texas 75248
(214) 236-0593

Mr. Jeff Baron

Statement for period 1/25/10 - 2/28/10
Tax ID No.: 214505794

Total Charges Incurred

Professional Fees (Flat Fee)	10,000.00
<u>Expenses</u>	<u>0.00</u>
GRAND TOTAL	10,000.00

Re: *Flat-Fee Legal Services*

Professional Fees:

<u>Date</u>	<u>Narrative</u>	<u>Rate</u>	<u>Amt</u>
1/25/10 - 1/31/10	Legal Services (Pro-rated)	Flat Fee	2,000.00
2/1/10 - 2/28/10	Legal Services	Flat Fee	8,000.00

Statement Summary

<u>Professional Name</u>	<u>Title</u>	<u>Dates</u>	<u>Rate</u>	<u>Extended Amount</u>
David L. Pacione	Attorney	1/25 - 1/31/10	Flat fee	2,000.00 (pro-rated)
		2/1 - 2/28/10	Flat fee	8,000.00
		<i>Total:</i>		<i>10,000.00</i>

Costs

<u>Date</u>	<u>Expense</u>	<u>Qty.</u>	<u>Price</u>	<u>Amount</u>
-------------	----------------	-------------	--------------	---------------

Sub-total Costs: 0.00

Total Current Billing: \$10,000.00

Payable upon Receipt

AFFIDAVIT OF DAVID L. PACIONE

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

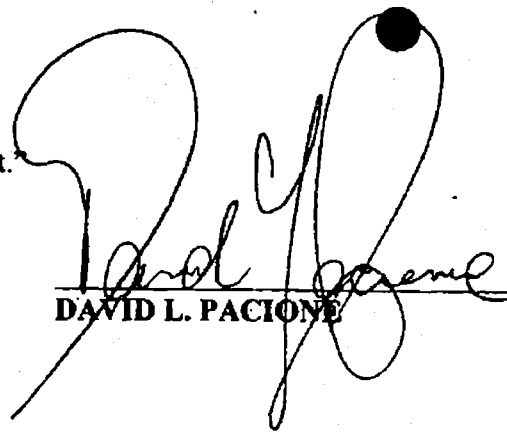
BEFORE ME, the undersigned authority, on this day personally appeared DAVID L. PACIONE, personally known to me, who being by me first duly sworn upon his oath, deposes and states the following:

“My name is David L. Pacione. I am over the age of eighteen (18) years, and I am of sound mind. I have never been convicted of any felony crime. I have personal knowledge of every statement made herein, and I am fully competent to testify to the matter stated herein. Every statement made herein is true and correct.

I am an individual and a Texas-licensed attorney, admitted to practice before the United States Courts for the Northern District of Texas, Dallas Division, doing business as the The Law Office of David L. Pacione. On January 20, 2010, I was retained by Jeffrey Baron to assist his lead counsel, Mr. Jeffrey T. Hall, in connection with the litigation styled, Cause No. 3:09-cv-0988-F; *Netsphere, Inc., et al. vs. Jeffrey Baron and Ondova Limited Company*; pending in the United States District Court for the Northern District of Texas, Dallas Division. For my representation, Jeffrey Baron agreed to compensate me, on a flat-fee basis, at a rate of \$8,000.00 per month. For the remaining portion of January 2010, Jeffrey Baron additionally agreed to pay me a pro-rated fee of \$2,000.00. On February 9, 2010, at Jeffrey Baron’s request and as part of my regular course of business, I submitted to him a billing invoice reflecting this agreement. The subject invoice, totals \$10,023.80, with all just and lawful offsets, payments and credits allowed, plus interest, is now due and owing from Jeffrey Baron.

From late January through February 28, 2010 and consistent with the parties’ agreement, I performed various legal services on Jeffrey Baron’s behalf. Such legal services totaled approximately 238.70 hours. In my legal practice, for legal representation in such business matters, my usual and customary hourly rate to perform such work is \$200.00/hour. This rate is both reasonable and well within the acceptable range of rates being charged for such legal representation within the Dallas legal community.

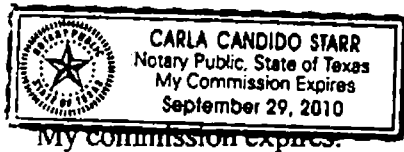
Further Affiant sayeth not.



Handwritten signature of David L. Pacione in black ink, written over a horizontal line.

DAVID L. PACIONE

SWORN TO AND SUBSCRIBED before me, the undersigned authority, by the said DAVID L. PACIONE on this the 27 day of May, 2010.



My commission expires.



Handwritten signature of Carla C. Starr in black ink, written over a horizontal line.

Notary Public, State of Texas

EXHIBIT 22

CAUSE NO. DC-10-05339-K

FEE, SMITH, SHARP & VITULLO, LLP <i>Plaintiff,</i>	§	IN THE DISTRICT COURT
	§	
v.	§	<u>192nd</u> JUDICIAL DISTRICT
	§	
JEFF BARON <i>Defendant.</i>	§	DALLAS COUNTY, TEXAS
	§	

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, FEE, SMITH, SHARP & VITULLO, LLP, Plaintiff, files this its Original Petition against JEFF BARON, Defendant, and would show the Court as follows:

I.

DISCOVERY CONTROL PLAN

1. In accordance with Tex. R. Civ. P. 190.2 the Plaintiff designates this case as a level 1 case.

II.

PARTIES

2. Plaintiff FEE, SMITH, SHARP & VITULLO, LLP is a Texas limited liability partnership organized and existing under the laws of the State of Texas, having its offices and principal place of business in Dallas County, Texas.
3. Defendant JEFF BARON is an individual residing in Carrollton, Texas and may be served with process at 2200 E. Trinity Mills Rd, Apt 106, Carrollton, TX 75006.

III.

VENUE AND JURISDICTION

4. The Court has jurisdiction over Defendant because the amount in controversy exceeds the minimum jurisdictional limits of this Court.
5. Venue is proper in this Court because the contract at issue in this matter was entered into in Dallas County, Texas, and because the events and transactions giving rise to the claims asserted herein arose in whole or in part in Dallas County, Texas. Venue is therefore proper in Dallas County pursuant to Tex. Civ. Prac. & Rem. Code §15.002.

IV.

Breach of Contract for Services
Performed for the Benefit of Defendant

6. On or about June 2, 2009, Plaintiff entered into an agreement with Defendant whereby Plaintiff agreed to provide services to Defendant. Pursuant to the terms of their agreement, Plaintiff invoiced Defendant for services performed. A true and correct copy of the invoices sent to Defendant is attached hereto as Exhibit "A" and incorporated herein by reference. As of the filing of this cause of action, the sum of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60) exclusive of interest, was due and owing from Defendant to Plaintiff. Defendant's failure to pay constitutes a breach of contract. Therefore, Plaintiff claims the sum of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60) as damages incurred by reason of Defendant's breach of contract, plus interest at the rate of six percent (6.00%) per annum.

IV.

Suit on a Verified Account for
Services Furnished to Defendant

7. Pleading in the alternative, Plaintiff would show that on or about June 2, 2009, at the special instance and request of Defendant, Plaintiff provided services described in the invoices attached hereto. Defendant became bound to pay the reasonable value of the services furnished by Plaintiff. The reasonable value of the unpaid services furnished by Plaintiff at the request of Defendant, excluding interest, is twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60). This sum is a liquidated money demand arising out of the business dealings between the parties upon which a systematic record has been kept, and all just and lawful offsets, payments, and credits have been allowed. Though often requested, Defendant has failed and refused and continues to fail and refuse to pay the sum of money for the services described in Exhibit "A" to the damage of Plaintiff in the amount of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60). See Affidavit of Jay Fry attached hereto as Exhibit "B" and incorporated herein by reference.

V.

Quantum Meruit

8. Pleading in the alternative, services were rendered to Defendant directly in that Defendant received the services. As a direct result of Plaintiff's provision of the services, a benefit was conferred on the Defendant in that the Defendant has had beneficial use and enjoyment of the services. The Defendant has accepted the benefit of Plaintiff's services. Specifically, the Defendant accepted the services. The reasonable value of the services that Plaintiff provided to Defendant was twenty-two thousand, nine hundred eighty-eight

dollars and sixty cents (\$22,988.60). Plaintiff reasonably expects payment for the services provided because the Plaintiff has provided similar services for others in the community for which Plaintiff has been paid, and Plaintiff does not know Defendant personally.

9. The Plaintiff has presented the claim as described above to Defendant for payment. Defendant will be unjustly enriched in the amount claimed by Plaintiff if allowed to retain the benefit conferred on it without payment for the reasonable value of the services provided by Plaintiff to Defendant described above.

V.

Attorney's Fees

10. Plaintiff has demanded payment from Defendant for the services provided by Plaintiff to Defendant. Because of Defendant's refusal to pay the invoice(s) due and owing to Plaintiff, it has become necessary for Plaintiff to place its claim in the hands of the undersigned attorney for collection, and Plaintiff has agreed to pay said attorney a reasonable attorney's fee. Therefore, upon judgment being entered herein, Plaintiff is entitled to collect and hereby sues to recover its reasonable attorney's fees pursuant to TEX. CIV. PRAC. & REM. CODE, § 38.001 at the trial court and on appeal.

VI.

DISCLOSURES

11. Pursuant to Rule 194, JEFF BARON is requested to disclose, within 50 days of service of this petition, the information or material described in TEX. R. CIV. P 194.2.

VIII.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiff, FEE, SMITH, SHARP & VITULLO, LLP, prays that Defendant be cited to appear and answer herein, and that upon final hearing Plaintiff have judgment against Defendant for the following:

- a. The sum of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60) on its alternate theories of Breach of Contract, Sworn Account and Quantum Meruit;
- b. Pre-judgment interest of 6.00% per annum;
- c. Post-judgment interest at the rate per annum as published by the Texas Office of Consumer Credit Commission at the time of Judgment;
- d. Attorneys' fees in a reasonable amount pursuant to TEX. CIV. PRAC. & REM. CODE § 38.001 at the trial and on appeal;
- e. Costs of court;
- f. Costs of collection;
- g. Such other and further relief, at law or in equity, to which Plaintiff may show itself justly entitled.

Respectfully Submitted,

DARRELL W. COOK & ASSOCIATES,
A PROFESSIONAL CORPORATION



DARRELL W. COOK *By: swD*

State Bar No. 00787279

STEPHEN W. DAVIS

State Bar No. 24066792

One Meadows Building

5005 Greenville Ave., Suite 200

Dallas, TX 75206

(214) 368-4686

(214) 363-9979 Telecopy

ATTORNEYS FOR PLAINTIFF

EXHIBIT A



Fee, Smith, Sharp & Vitullo LLP

Three Galleria Tower 13155 Noel Road Suite 1000 Dallas, Texas 75240
P 972-934-9100 F 972-934-9200 www.feesmith.com

Jeff Baron
jeff@ondova.com

Page: 1
June 16, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24513

Ondova Limited Company and Jeff Baron v. Manila
Industries, Inc., et al

Tax ID Number: 68-0502076

Invoice For Legal Services Rendered

Fees

			Rate	Hours	
06/03/2009	ALV	Conference with Elizabeth, James and Jeff regarding injunction hearing.	350.00	2.20	770.00
	ALV	Review file materials.	350.00	2.80	980.00
06/04/2009	ALV	Meeting with Razansky and review of Motion.	350.00	3.30	1,155.00
	ALV	Preparation for temporary injunction hearing.	350.00	10.60	3,710.00
	AKJ	Revise Emergency Motion to Quash and/or Motion for Protective Order by Plaintiff Jeffrey Baron.	75.00	0.30	22.50
	AKJ	Revise Agreed Motion to Substitute Counsel for Plaintiffs Jeff Baron and Ondova Limited Company.	75.00	0.30	22.50
	AKJ	Preparation of correspondence to all counsel regarding Notice of Temporary Restraining Order hearing.	75.00	0.30	22.50
	AKJ	Preparation of correspondence to Court regarding filing of Emergency Motion to Quash and/or			

Jeff Baron

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June 16, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24513

		Rate	Hours	
	Motion to Substitute Counsel for Plaintiffs Jeff Baron and Ondova Limited Company.	75.00	0.30	22.50
AKJ	Multiple telephone call to and telephone call from Special Delivery regarding coordination of service of three subpoenas.	75.00	0.50	37.50
AKJ	Prepare notebooks for Temporary Restraining Order hearing.	75.00	1.70	127.50
AKJ	Prepare exhibits and exhibit notebook for Temporary Restraining Order hearing.	75.00	1.60	120.00
AKJ	Multiple telephone call to Victory Document Service regarding preparation of trial board.	75.00	0.20	15.00
RCP	Researched requirements for temporary injunctions.	100.00	2.60	260.00
RCP	Revised Motion to Quash.	100.00	0.80	80.00
06/05/2009 ALV	Preparation for temporary injunction hearing.	350.00	5.40	1,890.00
ALV	Attendance at temporary injunction hearing and client conference.	350.00	4.80	1,680.00
AKJ	Continue to work on exhibits for Temporary Restraining Order hearing.	75.00	1.70	127.50
AKJ	Revise Second Emergency Motion to Quash and/or Motion for Protective Order by Plaintiff Jeffrey Baron.	75.00	0.30	22.50
AKJ	Preparation of correspondence to Court regarding filing of Second Emergency Motion to Quash and/or Motion for Protective Order by Plaintiff Jeffrey Baron.	75.00	0.30	22.50
AKJ	Preparation of additional Temporary Restraining Order hearing notebook.	75.00	0.80	60.00
AKJ	Multiple telephone call to and			

Jeff Baron

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June 16, 2009
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		Rate	Hours	
	telephone call from Victory Document Service regarding preparation of trial board.	75.00	0.40	30.00
06/07/2009	ALV Telephone conference with Rasansky regarding MacPete contacting Charla Aldous.	350.00	0.20	70.00
	ALV Telephone conference with Baron regarding Ondova issues related to deregistering domain names in best interest of company.	350.00	0.50	175.00
	ALV Telephone conference with Baron, James Bell and Elizabeth Shuring regarding litigation strategy of filing Motion to Enforce Simple Solution Agreement, application of Temporary Restraining Order.	350.00	1.50	525.00
	ALV Telephone conference with Jeff Baron.	350.00	1.00	350.00
	ALV Telephone conference with James Bell and Baron.			n/c
	ALV Multiple/additional telephone conferences with Bell and Baron.			n/c
06/08/2009	ALV Preparation of correspondence to Frank Perry.	350.00	0.50	175.00
	ALV Preparation of multiple correspondence to Kantner MacPete.	350.00	1.00	350.00
	ALV Conference with Baron and James Bell.			n/c
	ALV Conference with Charla Aldous.			n/c
	ALV Receipt and review of correspondence to/from MacPete and Kantner.	350.00	0.20	70.00
	ALV Conference with Bob Kantner.	350.00	0.60	210.00
	ALV Receipt and review of correspondence to/from Frank Lloyd.	350.00	0.10	35.00

Jeff Baron

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June 16, 2009
FSSV File No.: ALV-3132M
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		Rate	Hours	
ALV	Telephone conference with Samantha Isner of ICANN.	350.00	0.10	35.00
ALV	Receipt of telephone call from Richard Wolfe regarding Simple Solutions.	350.00	0.30	105.00
ALV	Multiple telephone conferences with and preparation of correspondence to Baron, Elizabeth and James regarding litigation strategy and preparation of responses to e-mails and review MacPete, Lloyd and Wolfe e-mails.	350.00	3.20	1,120.00
AKJ	Draft Notice of Intention to Take Deposition of of Munish Krishan.	75.00	0.40	30.00
AKJ	Preparation of correspondence to all counsel regarding Notice of Intention to Take Deposition of of Munish Krishan.	75.00	0.30	22.50
AKJ	Preparation of correspondence to Steve Gentry regarding Notice of Intention to Take Deposition of of Munish Krishan.	75.00	0.20	15.00
AKJ	Multiple telephone call to Steve Gentry regarding Deposition of of Munish Krishan.	75.00	0.20	15.00
RCP	Preparation of Motion to Compel compliance with Rule 11 Settlement Agreement.	100.00	2.90	290.00
RCP	Preparation of Motion to Compel oral deposition.	100.00	0.90	90.00
06/09/2009 ALV	Telephone conference with Baron, James and Elizabeth regarding Manassas.	350.00	1.50	525.00
ALV	Multiple telephone conferences with and e-mails regarding MacPete response, Dec Action and Temporary Restraining Order; conference with Baron, Elizabeth and James.	350.00	2.20	770.00
ALV	Telephone call to Jerry Mason			

Jeff Baron

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June 16, 2009

FSSV File No.: ALV-3132M

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		Rate	Hours	
	regarding fee issue.	350.00	0.10	35.00
ALV	Preparation of correspondence regarding Motion to Enforce simple solutions Rule 11 Agreement and Motion for Application of Temporary Restraining Order.	350.00	0.50	175.00
ALV	Initial preparation of revisions to Temporary Restraining Order for Ondova.	350.00	0.60	210.00
06/10/2009 ALV	Telephone conference with Baron, Elizabeth regarding bringing in Asia Trust, Kantners statement to Interplead money, and liability exposure of 3rd party trademark.	350.00	1.10	385.00
ALV	Telephone call to Bob Kantner of Interplead.	350.00	0.50	175.00
ALV	Telephone conference with Richard Wolfe.	350.00	0.60	210.00
ALV	Edit seventh Amended Petition, Temporary Restraining Order, Motion to Enforce and Motion for Expedited Discovery.	350.00	3.50	1,225.00
ALV	Preparation for Temporary Restraining Order hearing.	350.00	1.50	525.00
ALV	Conference with Bell, Baron, Elizabeth regarding strategy.	350.00	4.30	1,505.00
ALV	Preparation of edits to Motion to Compel, Amended Petition and Motion for Expedited Discovery.	350.00	2.40	840.00
06/11/2009 ALV	Multiple conversations with Co-Counsel regarding Client.			n/c
ALV	Multiple e-mails to/from Co-Counsel.			n/c
ALV	Additional preparation of Motion to Compel and Rule 11 Agreement for filing with Court.	350.00	1.50	525.00
ALV	Meeting with MacPete regarding			

Jeff Baron

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June 16, 2009
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		Rate	Hours	
	MOU.	350.00	2.20	770.00
	ALV Conference with Elizabeth for status and conference with James Bell and joint conference with Elizabeth and Jeff Baron.	350.00	4.30	1,505.00
06/12/2009	JCR Attendance at meeting with ALV; teleconferencing with James Bell and Jeff Baron; attendance at three telephonic hearings with federal court Judge regarding case.	225.00	6.80	1,530.00
06/14/2009	JCR Preparation for upcoming hearing.	225.00	2.00	450.00
06/15/2009	JCR Additional preparation for hearing; travel to and from and attendance at hearing and meeting with counsel after hearing.	225.00	4.50	1,012.50
	JCR Attendance at teleconferences with new federal court judge and with counsel for Netsphere/the Krishans.	225.00	1.30	292.50
	JCR Conferences with ALV, James Bell and Jeff Baron regarding outcome of hearing and strategy for both cases involving clients.	225.00	3.00	675.00
	Total Legal Fees		99.70	28,200.00

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
ANTHONY L. VITULLO	65.10	\$350.00	\$22,785.00
J. CALEB RAWLS	17.60	225.00	3,960.00
ARTI K. JARIWALA	9.80	75.00	735.00
RACHEL C. PERKINS	7.20	100.00	720.00

Expenses

06/09/2009	Photocopying, 12 pp @ \$.10 each	1.20
06/11/2009	Photocopying, 34 pp @ \$.10 each	3.40
06/11/2009	Photocopying, 31 pp @ \$.10 each	3.10
06/11/2009	Photocopying, 15 pp @ \$.10 each	1.50
06/12/2009	Photocopying, 70 pp @ \$.10 each	7.00
06/12/2009	Photocopying, 50 pp @ \$.10 each	5.00
	Total Expenses	21.20

Jeff Baron

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June 16, 2009
ESSV File No.: ALV-3132M
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Advances

06/05/2009	Outside Copy Services - Victory Document Services, Inc.	107.82
	Total Advances	<u>107.82</u>
	Total For This Invoice	28,329.02

Payments

06/16/2009	Payment	-25,000.00
	Balance Due	<u>\$3,329.02</u>

Client Funds

06/05/2009	Initial Retainer Deposit	25,000.00
06/16/2009	Payment	-25,000.00
	Ending Client Funds Balance	<u>\$0.00</u>
	Please Remit	<u>\$3,329.02</u>

Thank you for your business!



Fee, Smith, Sharp & Vitello LLP

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P 972-934-9100 F 972-934-9200 www.feessmith.com

Jeff Baron
jeff@ondova.com

Page: 1
June 23, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24550

Ondova Limited Company and Jeff Baron v. Manila
Industries, Inc., et al

Tax ID Number: 68-0502076

Invoice For Legal Services Rendered

Fees

		Rate	Hours	
06/10/2009 RCP	Revised Motion to Compel compliance with Rule 11 settlement agreement, added Motion to Seal.	100.00	4.90	490.00
LER	Research issue on federal jurisdiction of a pending state court action.	225.00	0.80	180.00
06/11/2009 AKJ	Review and analysis of correspondence from Steve Gentry regarding deposition of Munish Krishan.	75.00	0.10	7.50
AKJ	Preparation of correspondence to Steve Gentry regarding cancellation/quashed deposition of Munish Krishan.	75.00	0.10	7.50
06/12/2009 ALV	Review of Temporary Restraining Order and research irreparable harm issue.	350.00	1.40	490.00
ALV	Preparation for Temporary Restraining Order hearing.	350.00	1.50	525.00
ALV	Temporary Restraining Order hearing with Judge Lynn.	350.00	0.50	175.00

Jeff Baron

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June 23, 2009
FSSV File No.: ALV-3132M
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		Rate	Hours	
	ALV	Conference with James Bell and Jeff Baron.	350.00	1.10 385.00
	ALV	Receipt and review and preparation of 23 emails to and from Elizabeth, James, MacPete and Jeff.	350.00	1.80 630.00
06/13/2009	ALV	Receipt and review of 20 e-mails and preparation of same to and from Elizabeth, James, Jeff and MacPete regarding litigation strategy.	350.00	1.50 525.00
	ALV	Multiple telephone conferences with Elizabeth, James, Caleb and Jeff.	350.00	1.30 455.00
	ALV	Additional revisions to Amended Petition.	350.00	0.80 280.00
06/14/2009	ALV	Receipt and review and prepare 68 e-mails to and from Elizabeth, James, Jeff, Caleb regarding litigation strategy.	350.00	3.40 1,190.00
06/15/2009	ALV	Assist with preparation for deposition.	350.00	1.20 420.00
	ALV	Receipt and review of and preparation of 44 e-mails to and from Elizabeth, James, Caleb and Jeff regarding litigation strategy and depositions.	350.00	2.60 910.00
	ALV	Multiple telephone conferences with Caleb, Elizabeth, James and Jeff regarding deposition strategy and document production.	350.00	1.80 630.00
06/16/2009	MKS	Review file for documents for attorney use at hearing, travel to and from Courthouse to deliver and review documents for use at hearing.	75.00	1.50 112.50
	ALV	Receipt and review and preparation of 41 e-mails to and from Elizabeth, James, Caleb and Jeff regarding deposition prep.	350.00	2.10 735.00

Jeff Baron

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June 23, 2009
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	Rate	Hours	
ALV Multiple telephone conferences with Caleb, Elizabeth, James and Jeff regarding litigation and deposition.	350.00	1.40	490.00
ALV Conference with MacPete.	350.00	0.50	175.00
JCR Discussions, telephone conference with and emails correspondence to and from Jeff Baron, Elizabeth Schurig, James Bell, Lenny Vitullo and John MacPete regarding pending depositions and document production as well as pending preliminary injunction hearing.	225.00	12.00	2,700.00
06/17/2009 ALV Receipt and review and preparation of 58 e-mails to and from Elizabeth, James, Caleb and Jeff regarding deposition, protective order, Motion to Dismiss, Order, true up provision, stipulated order, conference calls regarding depositions with Elizabeth, James and Caleb.	350.00	3.40	1,190.00
JCR Discussions and telephone conferences with and email correspondence to and from Jeff Baron, Elizabeth Schurig, James Bell, Lenny vitullo and John MacPete regarding pending depositions and document production as well as settlement negotiations and options.	225.00	11.60	2,610.00
JCR Review of Baron's/Ondova's document production in preparation for deposition of Jeff Baron.	225.00	1.10	247.50
JCR Preparation of draft objections to Plaintiff's subpoena duces tecum.	225.00	0.80	180.00
MKS Email with Court Reporter to retain reporter and videographer for the deposition on June 18, 2009 of Munich.	75.00	0.10	7.50
MKS Multiple telephone conferences			

Jeff Baron

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June 23, 2009
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		Rate	Hours	
	with Caleb Rawls regarding preparation of documents for attorney use at deposition of Munich.	75.00	0.20	15.00
06/18/2009	ALV Receipt and review of multiple e-mails and conference calls with Elizabeth, Jeff, James and Caleb.			n/c
JCR	Continued preparation for deposition of Jeff Baron.	225.00	0.70	157.50
JCR	Preparation of Jeff Baron to testify.	225.00	2.70	607.50
JCR	Travel to and from Locke Lord's offices for deposition of Jeff Baron; discussions of document production and settlement possibilities with James Bell and Jeff Baron as well as with John MacPete and telephonic hearing with Judge Furgeson regarding discovery dispute.	225.00	11.60	2,610.00
06/19/2009	ALV Receipt and review of 10 e-mails regarding hearing on document production and conference with Elizabeth, James and Jeff regarding hearing.	350.00	2.60	910.00
ALV	Receipt of telephone call from Charla and Rasansky regarding fee issue and status.	350.00	0.50	175.00
JCR	Travel to and from and attendance at discovery hearing before Judge Furgeson.	225.00	4.70	1,057.50
JCR	Discussions with John MacPete and Lenny Vitullo regarding document production and depositions.	225.00	0.90	202.50
06/20/2009	ALV Meeting with Jeff Baron and conference with Bell and MacPete.	350.00	3.80	1,330.00
ALV	Preparation of e-mails to Jeff regarding status and decision to proceed under MOU.	350.00	0.20	70.00

Jeff Baron

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June 23, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24550

		Rate	Hours	
06/21/2009	ALV Preparation of e-mails to Jeff, Elizabeth and James.	350.00	0.80	280.00
	ALV Multiple conferences with Jeff, Elizabeth and James.	350.00	1.20	420.00
	ALV Conference call with Jeff, Elizabeth and James regarding meeting with Friedman.	350.00	0.50	175.00
	Total Legal Fees		89.70	23,757.50

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
ANTHONY L. VITULLO	35.90	\$350.00	\$12,565.00
J. CALEB RAWLS	46.10	225.00	10,372.50
MELINDA K. SPURGEON	1.80	75.00	135.00
LAURA E. RICHARDS	0.80	225.00	180.00
ARTI K. JARIWALA	0.20	75.00	15.00
RACHEL C. PERKINS	4.90	100.00	490.00

Expenses

06/16/2009	Photocopying, 110 pp @ \$.10 each	11.00
06/17/2009	Photocopying, 5 pp @ \$.10 each	0.50
06/18/2009	Photocopying, 404 pp @ \$.10 each	40.40
06/18/2009	Photocopying, 991 pp @ \$.10 each	99.10
06/18/2009	Photocopying, 107 pp @ \$.10 each	10.70
06/18/2009	Photocopying, 261 pp @ \$.10 each	26.10
06/19/2009	Photocopying, 1538 pp @ \$.10 each	153.80
06/19/2009	Photocopying, 57 pp @ \$.10 each	5.70
06/19/2009	Photocopying, 114 pp @ \$.10 each	11.40
	Total Expenses	358.70

Advances

06/04/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/04/2009	Courier fee - Special Delivery Service, Inc.	169.50
06/04/2009	Courier fee - Special Delivery Service, Inc.	45.00
06/04/2009	Courier fee - Special Delivery Service, Inc.	45.00
06/05/2009	Courier fee - Special Delivery Service, Inc.	37.49
06/05/2009	Courier fee - Special Delivery Service, Inc.	37.49
06/06/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	31.24
06/11/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/11/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/11/2009	Courier fee - Special Delivery Service, Inc.	31.24

Jeff Baron

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June 23, 2009
FSSV File No.: ALV-3132M
Invoice Number: 24550

06/11/2009	Courier fee - Special Delivery Service, Inc.	31.24
06/12/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/15/2009	Parking - Spurgeon, Melinda	4.00
06/15/2009	Mileage to/from for - Spurgeon, Melinda (22 miles)	<u>12.10</u>
	Total Advances	644.22
06/22/2009	Fee reduction per agreement with Client.	<u>-6,684.50</u>
	Total Credits for Advances	-6,684.50
	Previous Balance	\$3,329.02
	Total For This Invoice	18,075.92
	Balance Due	<u>\$21,404.94</u>
	Please Remit	<u>\$21,404.94</u>

Thank you for your business!



Fee, Smith, Sharp & Viallo LLP

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F I N A L B I L L !

Jeff Baron
jeff@ondova.com

Page: 1
October 30, 2009
FSSV File No.: ALV-3132M
Invoice Number: 26001

Ondova Limited Company and Jeff Baron v. Manila
Industries, Inc., et al

Tax ID Number: 68-0502076

Invoice For Legal Services Rendered

Fees

		Rate	Hours	
06/15/2009	LMJ Compose and transmit electronic correspondence to Court Reporter providing Notice of Intention to Take Deposition of Munish Krishan.	75.00	0.20	15.00
06/17/2009	LER Revise Motion to Disqualify for Federal Court.	225.00	0.60	135.00
06/18/2009	MKS Assist attorney with preparation of documents for use at deposition of Munish.	75.00	2.60	195.00
	TRG Research regarding conflict of interest; meeting with Client are same.	350.00	0.50	175.00
	WB Review and analyze Motion to Dismiss and report Motion to Dismiss.	225.00	1.80	<u>405.00</u>

Jeff Baron

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October 30, 2009
FSSV File No.: ALV-3132M
Invoice Number: 26001

Total Legal Fees Rate Hours 5.70 925.00

Fee Summary

Table with 4 columns: Timekeeper, Hours, Rate, Total. Rows include MELINDA K. SPURGEON, WES BLACK, LAURA E. RICHARDS, LORNA M. JACKSON, and TIMOTHY R. GEORGE.

Expenses

Table with 3 columns: Date, Description, Amount. Rows include Photocopying fees for 06/24/2009 and 07/08/2009, and a Total Expenses row.

Advances

Table with 3 columns: Date, Description, Amount. Rows include Courier fees and Deposition Transcripts, ending with Total Advances.

Previous Balance \$21,404.94

Total For This Invoice 1,583.66

Balance Due \$22,988.60

Aged Due Amounts

Table with 6 columns: 0-30, 31-60, 61-90, 91-120, 121-180, 181+. Row 1: 1,583.66, 0.00, 0.00, 0.00, 21,404.94, 0.00.

Please Remit \$22,988.60

Thank you for your business!

EXHIBIT B

CAUSE NO. _____

FEE, SMITH, SHARP & VITULLO,
LLP
Plaintiff,

v.

JEFF BARON
Defendant.

§
§
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§
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§
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§
§

IN THE DISTRICT COURT

____ JUDICIAL DISTRICT

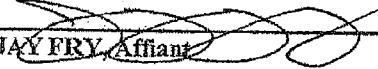
DALLAS COUNTY, TEXAS

AFFIDAVIT OF JAY FRY


BEFORE ME, the undersigned authority, personally appeared, who, being duly sworn, deposed as follows:

1. "My name is Jay Fry.
2. I am employed by FEE, SMITH, SHARP & VITULLO, LLP, a Texas Limited Liability Partnership, Plaintiff; and I have or a person under my supervision has care, custody, and control of all records concerning the account of JEFF BARON, Defendant.
3. These records show that a principal balance of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60), exclusive of interest, is due and payable by Defendant named herein to FEE, SMITH SHARP & VITULLO, LLP, Plaintiff.
4. A true and correct copy of Defendant's account is marked as 'Exhibit A,' and attached to Plaintiff's Original Petition. The true amount of the account is due Plaintiff by Defendant, and all just and lawful offsets, payments, and credits have been allowed.
5. Demand for payment of the just amount owing Plaintiff by Defendant has been made on Defendant more than thirty days prior hereto and payment for the just amount owing has not been tendered."

Fee, Smith, Sharp & Vitullo, LLP

BY: 
JAY FRY, Affiant

SIGNED AND SWORN to before me on the 23rd day of February 2010.


Notary Public, State of Texas

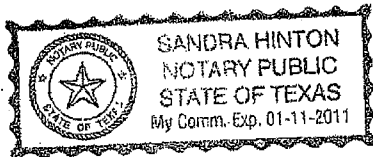


EXHIBIT 23

Patrick W. Powers
State Bar No. 24013351
Mark L. Taylor
State Bar No. 00792244
Powers Taylor LLP
8150 North Central Expressway
Suite 1575
Dallas, Texas 75206
(214) 239-8900 – Telephone
(214) 239-8901 – Facsimile
Email: patrick@powerstaylor.com
Email: mark@powerstaylor.com

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In Re:

ONDOVA LIMITED COMPANY

Debtor.

§
§
§
§
§
§
§
§

**CASE NO. 09-34784-SGJ-11
Chapter 11**

**FIRST AMENDED APPLICATION FOR PAYMENT OF FEES AND
EXPENSES AS AN ADMINISTRATIVE EXPENSE FOR A SUBSTANTIAL
CONTRIBUTION TO THE ESTATE**

First Application of:	Powers Taylor, LLP
For the time period of:	August 29, 2009 to September 30, 2010
Capacity:	Counsel for Jeffrey Baron
Unpaid Fees Sought:	\$78,058.50

TO THE HONORABLE STACEY G. JERNAGIN,
UNITED STATES CHIEF BANKRUPTCY JUDGE:

**NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A
WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES
BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS PLEADING
WITHIN FIFTEEN (15) DAYS FROM THE DATE OF SERVICE UNLESS THE COURT
SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO**

OBJECTION IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR OBJECTION MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

Powers Taylor LLP (“Applicant”) hereby files this *First Amended Application for Payment of Fees and Expenses as an Administrative Expense for a Substantial Contribution to the Estate* (the “Application”) pursuant to 11 U.S.C § 503(b)(4).

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this Application pursuant to 28 U.S.C. §§ 1334 and 157. This is a core proceeding under 11 U.S.C. § 157(b)(2)(A).

II. RELIEF REQUESTED

2. As more fully set forth herein, Applicant asks this Court to enter an order granting approval and payment of the fees and expenses incurred by Powers Taylor LLP during the Application Period in this case as a substantial contribution to the Ondova bankruptcy estate pursuant to 11 U.S.C. § 503(b)(4).

III. FACTUAL BACKGROUND

3. Beginning on August 29, 2009, the firm of Powers Taylor LLP (then known as Cash Powers Taylor LLP) assumed the role of counsel for Jeff Baron and his self-directed IRA account in litigation styled *Equity Trust, f/k/a Mid Ohio Securities, custodian FBO IRA 19471 and Jeffery Baron as Beneficiary of Equity Trust Company FBO IRA 19471 v. Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan*, Cause No. DC-08-13925-C, 68th Judicial District of Dallas County, Texas (hereinafter referred to as the “PhoneCards.com Litigation”).

4. The PhoneCards.com Litigation encompassed a dispute over the ownership and revenues generated by the domain name “PhoneCards.com” during the duration of a “Domain Name Lease Agreement” negotiated by Jeff Baron and Munish Krishan. This Domain Name Lease Agreement was the first agreement ever reached between Mr. Baron and the Krishan brothers, and all subsequent relationships between Baron and the Krishans arose from or related to the relationship forged under the Domain Name Lease Agreement.

5. While Ondova Limited Company was not a direct party to this case, the case had a direct bearing on the Ondova bankruptcy because:

- (a) the case involved one of the more valuable domain names originally obtained through Ondova (or Ondova’s related entities), although Mr. Baron claimed to have transferred legal ownership of the PhoneCards.com domain name to his IRA account, a transfer that was disputed by the Krishans;
- (b) the dispute at issue involved the same principles – Mr. Baron, Rohit Krishan, Munish Krishan, and Manoj Krishan – that controlled Ondova and Netsphere; and
- (c) the parties to the Ondova / Netsphere dispute could not settle their differences and obtain the “clean break” they desired if the Domain Name Lease Agreement in the PhoneCards.com Litigation required them to continue to work together as partners.

6. The Applicant was not involved in the initiation of the PhoneCards.com Litigation, but instead came into the case after Baron had become embroiled in fee disputes with at least two previous lawyers in the case. As the fifth counsel of record in the case, the Applicant

entered the case at a time when the judge was ready to sanction Mr. Baron for repeatedly delaying the case by changing counsel, and for frustrating the defendants' efforts to understand the scope of the claims against them. Despite the fact that Mr. Baron (and his IRA) were the plaintiffs in the case, none of the previous lawyers had engaged in any meaningful discovery, or attempted to move the case forward.

7. Over the course of the next few months, the Applicant was able to make significant headway in the PhoneCards.com Litigation. Applicant defeated the Special Appearance filed by Munish Krishan, successfully compelled the depositions of all the Krishan brothers in Dallas, Texas, and retained an internet expert who developed the theories of liability on the claims. By getting this litigation back on track, Applicant contributed to the bankruptcy estate and assisted in the Baron/Ondova efforts to initiate global settlement talks.

8. In fact, those settlement talks began in earnest at the very time that the Applicant was conducting the depositions of the Krishans. Jeff Hall, who was serving as Baron's lead counsel in the global negotiations at the time, requested that the Applicant provide an analysis of the damage claims in the PhoneCards.com Litigation to assist in those settlement negotiations. On February 22, 2010, Applicant provided a detailed analysis of the potential damage calculations, together with a probability assessment of the success of various claims and affirmative defenses at issue in the case. Based on this analysis, Mr. Hall entered the negotiations targeting a settlement of \$802,000 on the claims in the PhoneCards.com Litigation.

9. Following the initial negotiations (which failed to produce an agreement), the Applicant then obtained an order compelling the production of the entire CallingCards.com customer database. This order, which had been fiercely opposed by the Krishan's counsel, was a key development, because Mr. Baron believed that the information in the database would

demonstrate that millions of dollars in sales had been diverted from PhoneCards.com to CallingCards.com, further enhancing the damage claims in this litigation. Following the Court's oral ruling on the motion to compel, the Defendants continued to resist and delay the entry of a written order, presumably to buy additional time to negotiate a global settlement before the Defendants were forced to comply with the order. The very existence of this order enhanced the negotiating position enjoyed by counsel for Baron/Ondova in the bankruptcy settlement talks.

10. When the Global Settlement Agreement was finally reached on July 27, 2010, the claims from the PhoneCards.com Litigation were netted against the myriad of claims asserted by the Krishans, Netsphere, and the other entities controlled by the Krishans. The Global Settlement Agreement also extinguished the valuable claims in the PhoneCards.com Litigation through a mutual release, and then awarded the Krishans with additional income from the PhoneCards.com website over the next two years. The inclusion of the PhoneCards.com Litigation in the Global Settlement Agreement was a key element in reaching an equitable settlement. As such, the work performed in the development and prosecution of those claims constituted a substantial contribution to the bankruptcy estate.

IV. AUTHORITY AND ARGUMENT

11. This Court has authority to award attorneys' fees where the work performed resulted in an actual and demonstrable benefit to the debtor's estate and its creditors. *See, e.g., Lister v. United States*, 846 F.2d 55 (10th Cir. 1988). Without the value of the potential claims developed by the Applicant, it is unlikely that the Global Settlement Agreement with the Netsphere parties could have yielded the cash sum of \$1,200,000. The entire value of the claims developed by the Applicant's services flowed to the debtor's estate, and were netted against

other potential claims against the estate by the Netsphere parties. As a result of this settlement, the creditors of Ondova are likely to receive 100% of the amount of their claims in this case.

12. The services performed by the Applicant were in addition to, and were not duplicative of the services performed by attorneys for the Bankruptcy Trustee. In most respects, the interests of Baron and Ondova were aligned against Netsphere (and the Krishan brothers, who controlled Netsphere). The work performed on Baron's behalf against the Krishans resulted in a more favorable settlement for Ondova, and Baron relinquished any separate right that he had to reap the benefits of a separate settlement in the PhoneCards.com Litigation, providing a direct benefit to the estate. The Bankruptcy Trustee had no involvement in the development and prosecution of the PhoneCards.com claims, yet the estate received the entire benefit of the settlement of those claims.

13. The efforts undertaken by the Applicant were also intended to benefit the bankruptcy estate. At the time the Applicant took over the PhoneCards.com Litigation, Mr. Baron had already placed Ondova in bankruptcy as a means of addressing the claims asserted by the Krishan brothers (through their company Netsphere and other entities). Mr. Baron repeatedly urged the Applicant to press forward with the litigation to create pressure on the Krishans, so that a global settlement could be reached that was beneficial to the bankruptcy estate.

14. The reimbursement for attorneys' fees sought herein will not result in the impairment of other creditors; to the contrary, the work performed by Applicant will help to make a dividend to creditors much higher than it would otherwise have been.

15. The costs associated with bringing this Application are also compensable. As recognized by the 9th Circuit Court of Appeals, "[C]reditors who receive compensation under 503(b)(4) should also be compensated for costs incurred in litigating a fee award, so long as the

services meet the § 503(b)(4) requirements and the case ‘exemplifies a set of circumstances where litigation was necessary.’” *In re Wind N’ Wave*, 509 F.3d 938 (9th Cir. 2007); *see also* 11 U.S.C. § 503(b)(4).

16. The fee setting process providing for the recovery of attorneys’ fees begins with an examination of the nature and extent of the services rendered, or what is commonly referred to as the “time spent” standard. *See In re First Colonial Corp. of Am.*, 544 F. 2d 1291, 1300 (5th Cir.), *cert denied*, 97 S. Ct. 1696 (1977). Exhibit A provides a detail of all time for which Applicant seeks compensation. These time records include daily detail of the time spent by each individual working on behalf of the Applicant.

17. In fixing the amount of reasonable compensation to be awarded to a law firm for worked performed in a case, the Court may consider subjective factors beyond the number of hours spent and the hourly rates normally charged. *See id.* at 1301; *see also Johnson v. Georgia Highway Express, Inc.*, 488 F. 2d 714, 717 - 19 (5th Cir. 1974)(Providing a list of factors to be considered). These factors include the novelty and difficulty of the legal questions, the skill required to perform the legal services provided, the preclusion of other employment by the attorneys due to the acceptance of this case, the customary fees charged for such services, whether the fee is fixed or contingent, any time limitations imposed, the experience and ability of the attorneys, the “undesirability” of the case, the nature and length of the relationship with the client, and awards in similar cases. Each of these factors is discussed in the following paragraphs:

- Novelty and difficulty of the legal questions. The PhoneCards.com Litigation involved novel legal questions, because it required the application of standards of “reasonable performance” to the complex and

rapidly evolving field of “search engine optimization” for commercial websites. The Litigation also involved multiple issues of contract interpretation and the application of several potential affirmative defenses.

- The skill required to perform the legal services. The Applicant’s lead attorney is a skilled and experienced attorney with significant experience in complex commercial litigation over the past 16 years. Prior to entering private practice, Mr. Taylor served as a briefing attorney on the Texas Supreme Court.
- The preclusion of other employment. During the pendency of this case, Mr. Taylor was precluded from representing other clients of the Applicant.
- Customary fees charged for such services. The rates requested by the Applicant are customary and reasonable in commercial litigation. In fact, these rates are substantially less than the rates charged by at least one of the firms representing the Defendants in the PhoneCards.com Litigation. The Applicant customarily charges these rates for similar services provided to other clients.
- Whether the fee is fixed or contingent. As described in more detail later in this Application, the original fee agreement was a blended fee agreement, with a greatly reduced hourly rate and a limited contingency fee component. Because the value obtained from the claims in the PhoneCards.com Litigation was never separately negotiated in the Global Settlement Agreement, the contingency fee portion of the fee cannot be

determined. Accordingly, Applicant seeks compensation from this Court based on its customary hourly rates.

- Time limitations imposed. Because the Applicant was engaged long after the initial filing of the lawsuit, significant time limitations were present, requiring immediate attention to many matters that should have been handled by previous attorneys working on the case.
- Experience and ability of the attorneys. As detailed previously, Mr. Taylor is an experienced commercial litigator.
- The “undesirability” of the case. At the time the Applicant was engaged in this matter, Mr. Baron had switched attorneys several times, and accepting this engagement presented a substantial collection risk which had been rejected by several other firms. Furthermore, Mr. Baron had previously taken untenable positions with the court and ignored certain directives from the court. Accordingly, accepting this engagement placed the firm’s reputation at risk. In the initial hearing after the Applicant’s notice of appearance, the judge reaffirmed this risk, cautioning counsel that the court would hold counsel equally responsible for any failure to comply with the court’s directives.
- Nature and length of the relationship with the client. Applicant had no prior relationship with Mr. Baron prior to this engagement.
- Awards in similar cases. The compensation sought is reasonable in comparison to attorneys’ fees awarded in the prosecution of complex commercial litigation.

18. Applicant represents that the fees sought herein are fair and reasonable in connection with the services provided. The rates charged by Applicant are competitive and customary for the degree of skill and expertise necessary for cases of this type and are consistent with, or below, rates charged by other counsel with similar experience in the Northern District of Texas.

19. The work performed has been beneficial to the estate, as set forth above, and has made a substantial contribution to the estate and its creditors. Taking into account the time and labor spent, the nature and extent of the representation, and the results obtained in this proceeding, Applicant believes the compensation sought is reasonable and just.

V. CALCULATION OF FEES SOUGHT

20. Applicant is seeking the payment of \$78,058.50 in attorneys' fees from the bankruptcy estate, which represents the fair value of the services rendered. This amount was calculated by taking the value of the time billed in the PhoneCards.com Litigation at the firm's normal hourly rates, less the amounts paid by Mr. Baron prior to this application.

21. Applicant's fee arrangement with Mr. Baron, which is contained in the fee agreement attached hereto as Exhibit B, was actually a "blended fee" agreement. Under the terms of the written agreement, Mr. Baron was to pay the Applicant on a monthly basis for the time spent on the case at rates that were discounted by approximately 55% from the firm's normal hourly rates. In addition, the firm was to obtain a contingency fee interest in any settlement obtained. The contingency fee percentage was scheduled to increase from 12.5% to 20%, depending upon the time required to reach a resolution of the case. At the time of the Global Settlement Agreement, Applicant was entitled to a contingency fee of 15%.

22. Do to Mr. Baron's decision not to negotiate a separate settlement of the claims in the PhoneCards.com Litigation, Applicant has been deprived of the value of the contingency fee portion of its fees under the written agreement. Accordingly, Applicant seeks recovery of its fees at the normal hourly rates that would have been applied in the absence of a contingency-fee element.

23. Applicant's normal hourly rates are \$350 for partners and \$240 for associates. Applicant's partners spent 229 hours and its associates spent 306 hours working on the PhoneCards.com Litigation. The total value of these services, at the firm's reasonable and necessary rates, is \$153,590.00. Mr. Baron (or his self-directed IRA) paid \$68,044.00 toward these services during the time Applicant represent him. Applicant also holds a retainer balance of \$7,487.50, which Applicant believes should be credited toward this amount. Applicant seeks the difference between the value of the services and the total payments made, which totals \$78,058.50.

24. Despite demand by the Applicant, Mr. Baron has refused to pay this amount, and in fact, has refused to pay any compensation to the Applicant above the payments made prior to September 30, 2010. In fact, Mr. Baron refuses to pay the final bill on the hourly portion of the blended fee arrangement.

25. The amount sought in this motion is substantially less than the Applicant would have received had a separate settlement been negotiated on the PhoneCards.com Litigation. Although no actual settlement agreement was ever reached on these claims alone, we know the following:

- (a) Had a settlement been reached in February 2010, based on the evaluation provided to Mr. Hall, the settlement would have been for \$802,000. The

15% contingency fee on a settlement of \$802,000 would have been \$120,300.

(b) Had a settlement been reached that netted only 25% of the last complete damages model – which did not include any valuation of diverted customers – the settlement would have been for \$94,927 (25% of \$2,531,397, times the 15% contingency fee).

(c) Had the settlement negotiations occurred after the order compelling production of the database, when PhoneCards.com was in a strong negotiating position, the values obtained might have been even higher.

26. These estimations of the potential contingency fees that might have been obtained in a separate settlement demonstrate that the amount sought through the use of hourly fees alone is fair and equitable to the estate.

27. These fees substantially increased the value of the bankruptcy estate, because the efforts of the applicant developed and preserved significant assets – the PhoneCards.com claims – that were subsumed in the Global Settlement Agreement.

VI. REQUEST FOR RELIEF

28. Accordingly, Applicant respectfully asks this Court to enter an order granting approval of fees incurred during the Application Period in the amount of \$78,058.50, plus fees in the amount of \$2,800 (representing 8 hours of time) for the filing and prosecution of this Motion, as a substantial contribution to the Debtor's bankruptcy estate, compensable as an administrative expense pursuant to 11 U.S.C § 503(b)(4). Applicant requests that such fees be allowed to be compensated and reimbursed as an administrative expense from the Debtor's bankruptcy estate, and that such fees be immediately paid as allowed by the bankruptcy estate.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned does hereby certify that on this 6th day of December 2010, a true and correct copy of the above and foregoing *First Amended Application for Payment of Fees and Expenses as an Administrative Expense for a Substantial Contribution to the Estate*, was served upon the twenty largest unsecured creditors, all parties who have filed a notice of appearance, the United States Trustee and Jeffrey Baron, as more fully illustrated on the attached Master Service List, via First Class United States mail and/or electronic filing.

s/ Patrick W. Powers
Patrick W. Powers

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EXHIBIT 24

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: §
§
ONDOVA LIMITED COMPANY, § CASE NO. 09-34784-SGJ-11
§ (Chapter 11)
Debtor. §

MOTION FOR ALLOWANCE OF ATTORNEYS FEES PURSUANT TO
SUPPLEMENTAL SETTLEMENT AGREEMENT

TO THE HONORABLE STACEY JERNIGAN, U.S. BANKRUPTCY JUDGE:

COMES NOW Hohmann, Taube & Summers, L.L.P., Hitchcock Everett, LLP, West & Associates, LLP and Schurig Jetel Beckett Tackett (collectively "Movants") and file this their Motion for Allowance of Additional Attorneys Fees Pursuant to Supplemental Agreement and would respectfully show the Court as follows:

1. On or about August 12, 2010 this Honorable Court approved a Settlement Agreement between various parties in interest to this Bankruptcy Estate. In addition to the terms of the Settlement Agreement, Jeff Baron ("Baron"), Daniel J. Sherman, AsiaTrust, Ltd., Iguana Consulting, LLC, Novo Point, LLC, and Quantec LLC entered into a Supplemental Agreement to Mutual Settlement and Release Agreement.

2. Among the terms of the Supplemental Agreement was a provision which provided for a limitation on fees and expenses that would be payable to counsel for the months of June and July, and a prohibition on the payment of legal fees for legal representation incurred thereafter "...except as expressly provided in this Agreement or otherwise approved by Order of the Court."

3. As the Court is aware, since the approval of the Settlement Agreement by the Court, the parties have been involved in numerous activities in an attempt to close under the terms of the Settlement and Supplement. These activities were not contemplated at the time that the Supplemental Agreement was entered and could not have been reasonably predicted by AsiaTrust or any of Movants during the days prior to the execution of the Supplemental Agreement.

4. In addition to the fees and expenses which were permitted by the Settlement Agreement to be paid to Movants for the activities described, counsel for AsiaTrust has incurred over \$150,000.00 of fees and expenses which are not specifically delineated under the terms of the Supplemental Agreement. Such fees and expenses have been incurred as a result of the activities of Jeff Baron in connection with the consummation of the settlement, and have included but are not limited to, counsel having to appear at a Status and Show Cause hearing which have been instituted at the insists of this Court. The Supplement and Agreement (specifically Paragraph 3(a) and (c)) specifically contemplate the allowance of such additional fees. Movants request that appropriate provisions for payment of such fees be authorized.

WHEREFORE, PREMISES CONSIDERED Movants request that this Court authorize pursuant to the terms of the Supplemental Agreement to Mutual Settlement and Release Agreement the payment of additional fees and expenses as they may prove legal work and fiduciary activities

under the circumstances described herein. Movants further request such other and further relief as they may show themselves justly entitled.

Respectfully submitted,

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ON BEHALF OF HOHMANN, TAUBE &
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LLP, HITCHCOCK EVERETT, LLP AND
SCHURIG JETEL BECKETT TACKETT

CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing document has been served upon those parties receiving the Court's ECF e-mail notification on this 21st day of September, 2010 and upon the attached Service List by depositing same in the United States First Class Mail on the 22nd day of September, 2010.

/s/ Eric J. Taube

Eric J. Taube

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San Francisco, CA 94105-3653

Securities and Exchange
Commission
100 F Street NE
Washington, DC 20549-0213

Securities and Exchange
Commission
175 W. Jackson Boulevard
Ste. 900
Chicago, IL 60604-2615

ServiceMaster Brands, L.L.C.
Attention: Kevin S. MacKinnon
860 Ridge Lake Blvd. A3-4008
Memphis, TN 38120-9434

Simple Solutions
c/o Payne & Blanchard, LLP
Attention: Frank Perry
Plaza of the Americas, 500 North
Tower
700 North Pearl Street, LB 393
Dallas, TX 75201-2824

Texas Employment Commission
TEC Building - Taxation
Department
Austin, TX 78778-0001

The University of Texas at Austin
Office of the V.P. for Legal Affairs
Box R
Austin, TX 78713-8918

Tramortina USA, Inc.
12955 West Airport Blvd
Sugar Land, TX 77478-6119

Travelers Indemnity Company
c/o Oppenheimer Law Firm
Attention: Aaron M. Scott
Plaza VAII, Ste. 3300
45 South Seventh Street
Minneapolis, MN 55402-1614

Western & Southern Financial
Group
Attention: Jonathon D. Niemeyer
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United States Trustee
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Dallas, TX 75208-1260

Daniel J. Sherman
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Raymond Urbanik/Lynn Chuang
Kramer
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Dallas, TX 75201-6659

Melissa S. Hayward
Franklin Skierski Lovall Hayward
LLP
10501 N. Central Expy., Suite 106
Dallas, TX 75231

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: §
§
ONDOVA LIMITED COMPANY, § CASE NO. 09-34784-SGJ-11
§ (Chapter 11)
Debtor. §

ORDER GRANTING MOTION FOR ALLOWANCE OF ATTORNEYS FEES
PURSUANT TO SUPPLEMENTAL SETTLEMENT AGREEMENT

BE IT REMEMBERED that in this District came on for consideration the Motion for Allowance of Additional Attorneys Fees Pursuant to Supplemental Agreement filed by Hohmann, Taube & Summers, L.L.P., Hitchcock Everett, LLP, West & Associates, LLP and Schurig Jetel Beckett Tackett; and the Court, finding that the Supplemental Agreement to Mutual Settlement and Release Agreement attached to the Motion for Allowance provides for such fees and expenses to be paid upon Order of the Court; and further finding that under the circumstances Movants are entitled to additional fees as requested; it is therefore,

ORDERED, ADJUDGED and DECREED that AsiaTrust Ltd. may pay Hitchcock Everett, LLP the sum of \$ _____. AsiaTrust Ltd. may pay Hohmann, Taube & Summers, L.L.P. the additional sum of \$ _____. AsiaTrust Ltd. may pay West & Associates, LLP the additional sum of \$ _____. AsiaTrust Ltd. may pay Schurig Jetel Beckett Tackett the additional sum of \$ _____.

Signed on this ____ day of _____, 2010.

STACEY JERNIGAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 25

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

ONDOVA LIMITED COMPANY

Debtor.

§
§
§
§
§
§
§

**CASE NO. 09-34784-SGJ-11
Chapter 11**

**APPLICATION OF PRONSKE & PATEL, P.C.,
FOR PAYMENT OF FEES AS AN ADMINISTRATIVE
EXPENSE FOR A SUBSTANTIAL CONTRIBUTION TO THE ESTATE**

SUMMARY OF FEE APPLICATION

First Application of:	Pronske & Patel, P.C.
For the time period of:	February 1, 2010 through July 24, 2010
Capacity:	COUNSEL FOR JEFF BARON
Unpaid Fees and Expenses Sought:	\$241,172,70

TO THE HONORABLE STACEY G. JERNAGIN,
UNITED STATES CHIEF BANKRUPTCY JUDGE:

Pronske & Patel, P.C. (“Pronske & Patel” or “Applicant”) hereby files this its *Application for Payment of Fees and Expenses as an Administrative Expense for a Substantial Contribution to the Estate* (the “Application”) pursuant to 11 U.S.C. § 503(b)(4).

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this Application pursuant to 28 U.S.C. §§ 1334 and 157. This is a core proceeding under 11 U.S.C. § 157(b)(2)(A).

II. RELIEF REQUESTED

2. As more fully set forth herein, Pronske & Patel asks this Court to enter an order: granting approval and payment of fees and expenses incurred by Pronske & Patel during the Application Period in this case as a substantial contribution to the Ondova bankruptcy estate pursuant to 11 U.S.C. §503(b)(4).

III. FACTUAL BACKGROUND RELATING TO SUBSTANTIAL CONTRIBUTION TO THE ESTATE

3. For a six month period beginning in February 2010, Pronske & Patel's representation of Baron¹ became focused almost exclusively on the settlement (the "Settlement Negotiations") of various litigation in the Federal District Court for the Northern District of Texas, Dallas Division, and various Texas State Courts involving Netsphere, Inc., Baron and Ondova (the "Netsphere Litigation"). The Settlement Negotiations were, during that 6 month period, extremely time-consuming, contentious, complex, difficult – and successful. The Settlement Negotiations involved almost daily participation and work on Pronske & Patel's part. Pronske & Patel became a lead negotiator in the Settlement Negotiations along with John McPete (representing Netsphere), Ray Urbanik (representing the bankruptcy estate), Eric Taube and Craig Capua (representing either the Village Trust or various entities owned and controlled by the Village Trust), and numerous other parties. These Settlement Negotiations generated a

¹ Baron is a Creditor of the Ondova bankruptcy case. He filed numerous pleadings in the Ondova bankruptcy case stating that he was filing such pleadings as "as creditor" of Ondova. This position taken by Baron granted him standing to be heard in the Ondova bankruptcy case. By virtue of the standing garnered by the claim of being a Creditor in the case, he cannot now say that he is not a creditor. Further, Baron is the ultimate equity owner of Ondova, as he is the sole beneficiary of the Daystar Trust, which is the 100% equity owner of Ondova. 11 U.S.C. §503(b)(3)(D) and (b)(4).

settlement document that was over 100 pages long – every sentence of which was the subject of substantial negotiation and discussion, often resulting in impasse. The time-consuming nature of these negotiations is shown, by example, in the month of June 2010, where nearly every day, including both days of every weekend, was spent in negotiations. Most of the lawyers involved in these negotiations were experienced lawyers who have handled numerous significant cases in their careers. Nevertheless, most if not all of these attorneys agreed that this negotiation was the most complex and difficult negotiation that any of them had ever handled. The difficulty of the case was exacerbated by the difficulty of the personalities of the clients, each of which was often relentless with various positions and slow to warm to the idea of compromise without significant amounts of time being spent on any given issue at hand. Almost every issue of the Settlement Negotiation was an extended battle, often turning into impasse numerous times before a compromise could emerge.

4. Despite the difficulties in the Settlement Negotiations, a final deal was struck, and the terms of the deal were approved by this Court.

5. In terms of success, the Settlement Negotiations yielded payments to the bankruptcy estate of Ondova that will provide funds that will likely pay unsecured creditors a healthy, if not complete dividend. The cash sum of \$1,250,000 provided in the Settlement Agreement resulting from the negotiations has already been funded to the bankruptcy trustee by Netsphere, due to the success of the Settlement Negotiations. Absent continuing litigation with Netsphere, for which Netsphere's counter-parties were running out of funds to continue, no money would likely have been realized by the Ondova bankruptcy estate from Netsphere.

6. In terms of substantial contribution, the work performed by Pronske & Patel clearly resulted an actual and demonstrable (or, as some courts say, a "direct and material") benefit to the debtor's estate and its creditors. *See, e.g., Lister v. United States*, 846 F.2d 55 (10th Cir. 1988).

7. Pronske & Patel submits that without the work that it did in connection with the settlement, the settlement would likely not have come to fruition, and the Ondova estate would not have benefited from the cash that has been paid (and will be paid in the future) under the Settlement Agreement that will result in creditors of Ondova likely receiving up to 100% of the amount of their claims in this case.

8. The benefit that the Ondova estate realized as a result of the settlement amount to far more than an incidental one arising from activities the applicant has pursued in protecting its own interests. The work performed by Pronske & Patel has operated to foster and enhance, rather than retard or interrupt the progress of reorganization in this case.

9. The services performed by Pronske & Patel were in addition to, and were not duplicative of services performed by attorneys for the Bankruptcy Trustee. In many respects, the interests of Ondova and Baron against Netsphere were aligned, making the work performed by Pronske & Patel directly beneficial to the Ondova estate in terms of realizing sums from Netsphere by the Ondova estate that will be utilized to pay creditor claims a substantial dividend.

10. The reimbursement for attorneys' fees and expenses sought herein will not result in the impairment of other creditors; to the contrary, the work performed by Pronske & Patel will help to make a dividend to creditors much higher than it would otherwise have been.

11. Costs associated with bringing this Application include numerous hours that Pronske & Patel attorneys have spent in Court dealing with the issue of compensation in connection with the settlement negotiations, together with the time spent in preparing this application. These costs are compensable under 11 U.S.C. §503(b)(4). *In re Wind N' Wave*, 509 F.3d 938 (9th Cir. 2007) (“ . . . [C]reditors who receive compensation under 503(b)(4) should also be compensated for costs incurred in litigating a fee award, so long as the services meet the §

503(b)(4) requirements and the case “exemplifies a ‘set of circumstances’ where litigation was ‘necessary’” . . .”).

IV. SUMMARY OF SERVICES OF APPLICANT

12. Pronske & Patel hereby seeks this Court’s approval for compensation of professional services and reimbursement of expenses for the Application Period. Pronske & Patel has performed legal services in connection with this case, incurring unpaid fees in the sum of \$241,172.70 for attorney and paraprofessional time.

V. OBJECTIVE FACTORS AFFECTING LEGAL FEES

13. The fee setting process providing for the recovery of attorneys’ fees begins with an examination of the nature and extent of the services rendered or what is referred to as the “time spent” standard. In other words, a measure of the quantum of the services must precede the determination of the value of these services.² Exhibit A provides detail all of the time for which compensation is sought by Pronske & Patel, broken-down by month and day, and explains the hours by each attorney and paraprofessional who provided services in this case and the requested rate of compensation.

14. Pronske & Patel recognizes that this Court will allow lawyers to be compensated only for legal work performed and that the dollar value of a particular task is not enhanced simply because a lawyer performs it. Considerable care, therefore, has been taken to avoid the performance of purely ministerial tasks by using paraprofessionals where possible.

VI. SUBJECTIVE FACTORS AFFECTING COMPENSATION

15. In fixing the amount of reasonable compensation to be awarded a law firm for worked performed in a case, the Court may consider factors other than the numbers of hours

² See *In re First Colonial Corp. of America*, 544 F. 2d 1291 (5th Cir.) cert. denied, 97 S. Ct. 1696 (1977).

spent and the hourly rate normally charged.³ The standards established by Fifth Circuit have been further modified by the opinion of the Supreme Court in *Pennsylvania v. Delaware Valley Citizens Counsel for Clean Air*.⁴ While *Delaware Valley* concerned the award of attorneys' fees under section 304(d) of the Clean Air Act, the language of the opinion makes it generally applicable to the award of attorneys' fees pursuant to federal statutes which require that the fee awarded be "reasonable."

16. In *Delaware Valley*, the Supreme Court, in considering the *Johnson* case, noted the practical difficulties encountered by courts in applying the sometimes-subjective *Johnson* factors. The Court in *Delaware Valley* also considered the "lodestar" approach of the Third Circuit Court of Appeals.⁵ The Court also revisited its prior opinions⁶ whereby it determined that the proper first step in determining a reasonable attorneys' fee is to multiply the number of hours reasonably expended on the litigation times a reasonable hourly rate, and that adjustment of this figure based on some of the *Johnson* factors might be appropriate,⁷ but that such modifications would be proper only in certain rare and exceptional cases and when supported by specific evidence and detailed findings of the lower court.⁸ In *Delaware Valley*, the Court took an even more restrictive approach to the relevance of the *Johnson* factors and concluded that the

³ See *In re First Colonial Corp. of America, supra*; and *Johnson v. Georgia Highway Express, Inc.*, 488 F. 2d 714 (5th Cir. 1974).

⁴ *Pennsylvania v. Delaware Valley Citizens Counsel for Clean Air*, 478 U.S. 546.

⁵ See e.g., *Lindy Brothers Builders, Inc. v. American Radiator and Standard Sanitary Corporation*, 487 F. 2d 161 (3d Cir. 1973) (Lindy I).

⁶ See *Hensley v. Eckerhart*, 461 U.S. 424 (1983); *Blum v. Stenson*, 465 U.S. 886 (1984).

⁷ See *Hensley*, 461 U.S. at 434, n. 9.

⁸ See *Blum*, 465 U.S. at 898-901.

“lodestar” figure includes most, if not all, of the relevant factors comprising a “reasonable attorneys’ fee.”⁹

17. Thus, under the *Delaware Valley* approach, this Court is guided to determine the number of hours reasonably spent in representing the Trustee, multiplied by a reasonable hourly rate for the services performed. The following discussion incorporates the *Johnson* factors only insofar as they might add the Court in its determination of the “lodestar” figure.

18. The following subjective *Johnson* factors are offered for consideration:

- Time and the labor required. Pronske & Patel attorneys and paraprofessionals have expended a significant number of hours providing necessary and reasonable services incident to its representation of the Baron for the Application Period, as detailed in the attached **Exhibit A**. The total value of this time is **\$241,172.70**.
- The novelty and difficulty of the questions. This case presented several novel and/or difficult issues in varying degrees. It was necessary for Pronske & Patel to analyze these complex problems in the light of applicable laws and seek resolution based on such laws with the objective of achieving a result which would benefit the Estate.
- The skill requisite to perform the legal services properly. Mr. Gerrit Pronske is a skilled and highly experienced attorney who has specialized in commercial bankruptcy law for 28 years. Mr. Pronske is a shareholder in the firm of Pronske & Patel. He was a law clerk to the now retired Honorable Robert C. McGuire, Chief Bankruptcy Judge of the Northern District of Texas. He is a regular presenter at legal seminars on

⁹ See *In Delaware Valley*, 106 S. Ct. at 309.

commercial and consumer bankruptcy, commercial transactions and other related topics. Mr. Pronske is the author of PRONSKE'S TEXAS BANKRUPTCY ANNOTATED, which is published by Texas Lawyer, and currently in its 10th Edition. Additionally, Mr. Pronske is the editor of 2010 PRONSKE'S TEXAS BANKRUPTCY MINI-CODE, also published by Texas Lawyer. Ms. Rakhee V. Patel, a partner with Pronske & Patel, was a bankruptcy law clerk for Judge Harlin D. Hale and a bankruptcy law clerk for Retired Judge Robert C. McGuire. Ms. Patel is a regular speaker at legal seminars on commercial bankruptcy and author of various bankruptcy related articles. Ms. Christina W. Stephenson, an associate, has practiced bankruptcy law for two years and is a former extern for the Honorable Harlin D. Hale. Ms. Sandra Meiners and Mr. Louis Whatley, legal assistants, provided assistance in this case. Both are proficient legal assistants with a total of over 30 years experience in bankruptcy law.

- The preclusion of other employment by attorneys due to acceptance of this case. This factor was present because Mr. Pronske spent a significant amount of time on this case, thereby precluding other representation.
- The customary fee. Exhibit A to this Application sets forth the hourly rate at which compensation is requested. These rates are no greater, and in many cases considerably less, than those being charged by attorneys for other major parties-in-interest in this or other bankruptcy cases in this district. Pronske & Patel and other similar firms customarily charge these

rates for equivalent services. These rates compare favorably to the cost of legal services to ordinary corporate legal consumers.

- Whether the fee is fixed or contingent. The fee in this case is not contingent upon the outcome of any particular issue or adversary proceeding.
- Time limitations imposed by the client or other circumstances. Time constraints have been substantial in this case as shown by the time records attached hereto as **Exhibit A**.
- The experience, reputation and ability of the attorneys. Applicant submits that Ms. Patel and Mr. Pronske have established themselves as able and conscientious practitioners in the Northern and other districts of Texas. Ms. Stephenson is an experienced bankruptcy associate. Ms. Meiners and Mr. Whatley are proficient legal assistants with substantial experience in bankruptcy law.
- The “undesirability” of the case. This factor is not relevant in this case.
- The nature and length of the professional relationship with the client. Applicant had no professional relationship with the Baron prior to their retention by the Baron as counsel.
- Awards in similar cases. Pronske & Patel represents and would demonstrate that the compensation for the services rendered and expenses incurred in connection with this case is not excessive and is commensurate with, or below the compensation sought or ordered in similar cases under the Bankruptcy Code. Pronske & Patel’s fee request is based upon normal hourly charges that Pronske & Patel charges private clients of the firm.

Taking into consideration the time and labor spent, the nature and extent of the representation, Pronske & Patel believes the allowance prayed for herein is reasonable.

- Additional consideration. The Court in *First Colonial Corp. of America, supra*, stated that two additional considerations should be considered by the Court:

- The policy of the Bankruptcy Code that estates be administered as efficiently as possible. It is the policy of Pronske & Patel to assign work to attorneys who have the degree of expertise and specialization to perform efficiently and properly the services required and to utilize law clerks and legal assistants whenever appropriate. This practice has been followed to date in this case and will be followed in the future.

- The Bankruptcy Code does not permit the award of duplicate fees or compensation for non-legal services. There has been no unnecessary or unavoidable duplication of legal services and there have been no non-legal services performed by this firm for which legal fees have been charged.

VII. REASONABLENESS OF PRONSKE & PATEL'S FEES

19. Pronske & Patel's representation of the Baron were time intensive during the Application Period. Pronske & Patel accepted this engagement without certainty that all of its fees and expenses would be paid and is charging a fixed hourly rate for services performed.

20. Pronske & Patel represents that the fees and expenses requested herein are fair and reasonable in connection with the services provided. The rates charged by Pronske & Patel are competitive and customary for the degree of skill and expertise necessary for cases of this type and are consistent with, or below, rates charged by other counsel with similar experience in the Northern District of Texas.

21. The work Pronske & Patel performed during its representation herein has been beneficial to the estate as set forth above, and has made a substantial contribution to the estate and its creditors. Taking into consideration the time and labor spent, the nature and extent of the representation, and the results obtained in this proceeding, Pronske & Patel believes the allowance prayed for herein is reasonable and just.

VIII. SUMMARY

22. Applicant seeks an award of compensation as set forth in **Exhibit "A"**, for attorneys' time and paraprofessionals' time for services furnished to the Baron during the Application Period in the unpaid amount of **\$241,172.70**. Pronske & Patel additionally requests this Court to award the fees and expenses associated with the filing and prosecution of this Motion.

23. **Exhibit "A"** to this Application details how time was spent as well as how the requested compensation has been calculated. The amounts sought are fair and reasonable compensation in light of all the circumstances.

IX. REQUEST FOR RELIEF

For these reasons, Pronske & Patel respectfully asks this Court to enter an order: (i) granting approval of all fees and expenses incurred by Pronske & Patel in this case during the Application Period in the amount of **\$241,172.70** (plus the fees and expenses associated with the filing and prosecution of this Motion) as a substantial contribution to the Debtor's bankruptcy

estate, compensable as an administrative expense pursuant to 11 U.S.C. §503(b)(4) (ii) allowing compensation and reimbursement of all sums requested as an administrative expense from the Debtor's bankruptcy estate, pursuant to the fee statements attached as **Exhibit A** for the Application Period; and (iii) authorizing the allowed fees and expenses to be immediately paid as allowed by the bankruptcy estate as an administrative expense.

Dated: October 20, 2010
Dallas, Texas

Respectfully submitted,

s/ Gerrit M. Pronske
Gerrit M. Pronske
State Bar No. 16351640
Rakhee V. Patel
State Bar No. 00797213
PRONSKE & PATEL, P.C.
2200 Ross Avenue, Suite 5350
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CERTIFICATE OF SERVICE

The undersigned does hereby certify that on this 20th day of October 2010, a true and correct copy of the above and foregoing *Fee Application of Pronske & Patel, P.C.*, was served upon the twenty largest unsecured creditors, all parties who have filed a notice of appearance, the United States Trustee and the Baron, as more fully illustrated on the attached Master Service List, via First Class United States mail and/or electronic filing, if available.

/s/ Gerrit M. Pronske
Gerrit M. Pronske

EXHIBIT 26

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., ET AL.	(	Number 3: 09-CV-0988-F
Plaintiff,	(
	(
vs.	(
	(
	(
JEFFREY BARON, ET AL.	(
	(
Defendant.	(	June 19, 2009

Status Conference
Before the Honorable Royal Furgeson

A P P E A R A N C E S:

For the Plaintiff: JOHN W. MACPETE
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James Bell
Bell & Weinstein
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Phone: 214/293-2263

Reported by: Cassidi L. Casey
1100 Commerce Street, Rm 15D6L
Dallas, Texas 75242
Phone: 214-354-3139

08:19 1 THE COURT: I like California. Wish they had a
2 better system of governance, but I like California.

3 MR. BELL: We're in a little bit of a quagmire,
4 and I think the best thing to do would be to order us
5 right now -- It sounded like I was quasi-joking, but we
6 need to get into a room and get this knocked out, and
7 we're ready, willing and able to perform in contravention
8 of Mr. MacPete's representation, and I'm not saying he
9 misrepresented. We're ready willing and able to perform.
10 We want the case off the docket. There is a state court
11 motion pending. A motion to enforce in that court and I
12 don't believe, with all due respect to the Court, the
13 state court has jurisdiction on this.

14 THE COURT: They do and I have jurisdiction,
08:20 15 too. So I'll tell you what. I am going to stay in this
16 case through the preliminary injunction, and there is an
17 order entered. Nobody can violate it. Anybody violates
18 it, you are all paying big dollars. Not only corporately
19 but personally also. You want to challenge the court
20 order, I have the marshals behind me. I can come to your
21 house, pick you up, put you in jail. I can seize your
22 property, do anything I need to do to enforce my orders.
23 I'm telling you don't screw with me. You are a fool, a
24 fool, a fool, a fool to screw with a federal judge, and if
25 you don't understand that, I can make you understand it.

08:21 1 I have the force of the Navy, Army, Marines and Navy
2 behind me. There is a lot of playing games. Both sides
3 are probably completely complicit. But it's time to
4 resolve this. If you don't want to resolve it, I can put
5 you in jail. I can hold you six months, twelve months,
6 eighteen months, and I can do that, and if you want me to
7 do it, I will be glad to do it, but you need to be serious
8 about this. There is a problem here that I do not
9 understand. It's really beyond my comprehension, and I
10 actually am not a completely dumb person. So you need to
11 get this resolved.

12 MR. BELL: I have been on the case eight days.
13 So I'm not entirely complicit.

14 THE COURT: Everybody is to blame. When you get
08:22 15 up in the morning look in the mirror. Everybody is to
16 blame here. I'm going to hear you on the 1st, if I have
17 to, but in the meantime, there needs to be two adults, one
18 on each side, that figures this out.

19 MR. BELL: Do you think, your Honor -- I mean I
20 would make an oral motion before the honorable court maybe
21 to order a mediation and get this thing out and off your
22 docket.

23 THE COURT: There is no question that's what
24 needs to be done. Apparently, there is a lot of money to
25 be had here. Let's not be greedy. Let's get this done

08:22 1 and figure it out. I'm not going to order you to do
2 anything. You can do absolutely nothing until you show up
3 on the first. But on the 1st, the door is shut, and
4 everything ends, and I am going to enter orders that
5 nobody may like. It may not be good for anybody. I may
6 actually appoint a receiver and ask the receiver at the
7 expense of all the parties to find a new registrar. I'll
8 order Ondova and Mr. Baron to put every domain he's got in
9 with the new registrar. I'll have the new registrar
10 protect these names, and then we'll just wait for a trial
11 in five or six years and go from there. So you know,
12 there is things I can do. I'm sure the receiver won't
13 cost more than two or three hundred thousand dollars,
14 maybe half a million. But I know you have the money
08:23 15 because these things are valuable.

16 MR. BELL: I think that's the low end.

17 THE COURT: A million dollars. I'm sure there
18 is a good receiver out there that would love to have this.
19 So at any rate, you know -- You know, don't give us what
20 you think is your rightful interests. But I'm telling
21 you, the Court's are going to resolve this. You are not
22 going to resolve ex parte or at a whim. The courts are
23 going to resolve it, and if you don't like what the courts
24 do, we can pick you up on the street and put you in jail.
25 That's the way it works. So it's time to get serious here

08:24 1 and time to understand that once the Court steps in,
2 that's it, and I've got this case, and I'm keeping it. So
3 you want to screw with me, have at it. But I can put you
4 in jail, and I will do it, and I can also take all of your
5 money away from you. I can look at all of your financial
6 statements. I can take every penny you've got if I think
7 you are doing stuff that's unlawful, illegal, fraudulent
8 and whatever. So let's don't test me here. And at the
9 same time if you think you are right, litigate it.
10 Litigate it to the cows come in, but don't screw with the
11 courts.

12 That's where we are, Mr. Bell. You don't have
13 to do anything this weekend. You can play all next week,
14 but on the 1st something is going to happen.

08:25 15 MR. BELL: If I may.

16 THE COURT: Sure.

17 MR. BELL: How much time do we have for the
18 preliminary injunction hearing?

19 THE COURT: A day.

20 MR. BELL: Right now, unless we can get this
21 thing resolved which is my intention, I think Mr. MacPete
22 would agree we can bang it out over the weekend. I have
23 just gotten on the case. My client is going to appear. I
24 would ask that you order the plaintiff, especially Mr.
25 Munish, to appear as well.

EXHIBIT 27

Jeffrey Baron and Ondova Limited Company, will experience no prejudice since the Defendants have the financial ability to retain new counsel and have contemplated hiring other very competent attorneys to handle this case. Further, the Defendants have been advised as to all deadlines and procedural aspects with respect to the above-captioned case.

The Defendants have been advised of the Movants desire to withdraw as their counsels of record. The Defendants have been provided with a copy of this Motion. The last known address for Defendants is 2828 Trinity Mills Road, Suite 225, Carrollton, Texas 75006.

FACTUAL BACKGROUND

The Defendants currently have three counsels of record in the above-captioned civil action; namely, Anthony Vitullo, James Bell, and Caleb Rawls. There is a Preliminary Injunction hearing on this case on July 1, 2009 and a temporary restraining order restraining Defendants ability from deleting domain names. The Court has ordered Defendant to produce documents to Plaintiff by 4:00 p.m. on June 22, 2009. Defendant's deposition is set for June 23, 2009 at 9:00 a.m. Plaintiffs Munish deposition is set for June 24, 2009 at 9:00 a.m. The Plaintiffs and Defendants are currently under an Order for Expedited Discovery.

ARGUMENTS AND AUTHORITIES

The Movants respectfully request that this Honorable Court allow them to withdraw as counsels for the Defendants because good cause exists for the withdrawal. *See* Tex. R. Prof. Conduct, Rule 1.15. It is well established Texas law that law firms may withdraw as counsel for a client if there is no prejudice to the client and good cause exists for the withdrawal. *Id.* On the facts present in this case, the Movants have un-resolvable conflicts with the Defendants. *Id.* The Defendants will not be prejudiced by the Movants withdrawal as counsels because the Defendants have the financial ability to retain new counsel and have been contemplating hiring new counsel for several weeks.

It is in the Movants best interest as well as the best interest of the Defendants that the attorney-client relationship be terminated in this case. The Movants withdrawal will be accomplished without material adverse effects on the interests of the Defendants. *Id.*

Accordingly, the Movants respectfully request that this Honorable Court allow the Movants to withdraw as counsels for the Defendants. This Motion is not sought for delay, but so that justice is served.

PRAYER

WHEREFORE, PREMISES CONSIDERED, the Movants respectfully move this Honorable Court for an Order permitting and granting the withdrawal of the Movants and all their associated attorneys as counsels of record for the Defendants, and providing that the Movants are relieved of any further responsibility associated with the representation of the Defendants in this case. The Movants respectfully request such further general or specific relief to which they may be entitled.

/s/ Anthony L. Vitullo
Anthony L. Vitullo
State Bar No. 20595500
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James Bell
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CERTIFICATE OF SERVICE

I hereby certify that on June 22, 2009, I electronically filed the foregoing document with the clerk of the court for the U.S. District Court for the Northern District of Texas Dallas Division, using the electronic case filing system of the Court. The electronic filing system sent a "Notice of Electronic Filing" to all attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means.

John MacPete
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201

/s/ Anthony L. Vitullo
ANTHONY L. VITULLO

CERTIFICATE OF CONFERENCE

The Movants hereby certify that they contacted Plaintiff's lead counsel and that he does not oppose this Motion. The Movants also certify that they informed the Defendants of this Motion to Withdraw and he consents to the Motion to Withdraw. To the extent this Honorable Court requires an in-camera or telephonic hearing regarding the specifics of this Motion, the Movants are available for such a hearing.

/s/ Anthony L. Vitullo
ANTHONY L. VITULLO

EXHIBIT 28

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.
MANILA INDUSTRIES, INC.; and
MUNISH KRISHAN

Plaintiffs,

vs.

JEFFREY BARON and
ONDOVA LIMITED COMPANY,

Defendants.

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CIVIL ACTION NO. 3-09CV0988-F

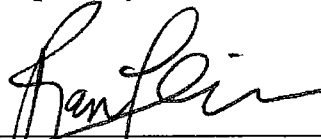
NOTICE OF APPEARANCE

PLEASE TAKE NOTICE that Jeffrey Baron ("Baron") and Ondova Limited Company ("Ondova") (Baron and Ondova are collectively referred to as "Defendants"), by and through the undersigned counsel, file this Notice of Appearance and request that copies of all correspondence, notices and pleadings hereafter given or filed in this case be given and served on Defendants by serving:

Lawrence J. Friedman
James Robert Krause
Ernest W. Leonard
Ryan K. Lurich
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(972) 776-5313 (Telecopier)
lfriedman@fflawoffice.com
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eleonard@fflawoffice.com
rlurich@fflawoffice.com

Dated: June 23, 2009

Respectfully submitted,



Lawrence J. Friedman
Texas Bar No. 06974300

James Robert Krause
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Ryan K. Lurich
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**COUNSEL FOR DEFENDANTS
JEFFREY BARON AND
ONDOVA LIMITED COMPANY**

CERTIFICATE OF SERVICE

I hereby certify that on June 23, 2009, I electronically filed the foregoing document with the Clerk of Court for the U.S. District Court for the Northern District of Texas, Dallas Division, using the electronic case filing system of the Court. The electronic case filing system will send a "Notice of Electronic Filing" to the following attorneys of record who have consented in writing to accept the Notice as service of this document by electronic means:

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Ryan K. Lurich

EXHIBIT 29

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., ET AL. (Number 3: 09-CV-0988-F
Plaintiff, ()
vs. ()
JEFFREY BARON, ET AL. ()
Defendant. (July 1, 2009

Status Conference
Before the Honorable Royal Furgeson

A P P E A R A N C E S:

For the Plaintiff: JOHN W. MACPETE
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Reported by: Cassidi L. Casey
1100 Commerce Street, Rm 15D6L
Dallas, Texas 75242
Phone: 214-354-3139

09:51 1 to get our business back from under the finger on the
2 nuclear button.

3 THE COURT: How do you think that's best done?

4 MR. MACPETE: I have heard from Mr. Krause that
5 he's going to insure that those portions of the
6 preliminary injunction get complied with, and maybe, as I
7 naively told the court two Fridays ago, that I thought he
8 would obey a federal court order -- I guess I still have
9 some belief he's going to do what he needs to do. I
10 suppose if he doesn't, we'll be back dealing with that.
11 I'm hopeful that your Honor is going to take up the
12 process issue today and do something about the willful
13 violations of your order that maybe in the future we could
14 have more confidence he's going to obey.

09:52 15 THE COURT: Well, as far as the willful
16 violations of my order, I need a motion, and I don't have
17 a motion on that. But I am terribly concerned. That's
18 the reason I didn't continue the hearing. I'm very
19 concerned that no matter what I do, Mr. Baron is not going
20 to pay attention.

21 MR. KRAUSE: Can I address the Court on two
22 points?

23 THE COURT: Yes.

24 MR. KRAUSE: We do need a motion. I think we
25 could have been better prepared today if we had a motion.

09:52 1 I have to address one point because I think it's impugning
2 my integrity. There was a discussion about extensions
3 yesterday. The price for that extension was almost
4 \$30,000. My client would not do that. I'd like to know
5 these Funnynames -- We have had testimony about this. Is
6 this a deleted name, one of the names you need to evaluate
7 to determine whether or not you want to restore it?

8 MR. MACPETE: No. The Funnyvideos and games are
9 not names which were deleted. We're using them to
10 exemplify for the Court that he has log-ins and pass codes
11 for names at his registrar which he has not turned over.

12 MR. KRAUSE: Those issues have passed with the
13 entry of the preliminary injunction. We split the names.
14 Friday in an e-mail -- I don't have it with me. I'll
09:53 15 provide it to the Court today. I said, "John, why do we
16 have to have this hearing? We'll get you whatever
17 discovery you need. But give us until after we comply
18 with the order. What do you need now?" That's what I
19 said and "We will work to make sure this order is complied
20 with." I can't do it myself.

21 THE COURT: I actually feel that you will if you
22 are here at the next hearing.

23 MR. KRAUSE: Yes.

24 THE COURT: And the problem is --

25 MR. KRAUSE: Sort of a receiver, why don't we

09:54 1 set up a conference call with the Court every day and head
2 these issues off. I want to head these issues off. I
3 still feel like I'm in ambush mode.

4 THE COURT: What I think you are in is you're in
5 catch-up mode, and I do appreciate that problem. You may
6 step down, Mr. Baron, for right now.

7 MR. MACPETE: Your Honor, I have his e-mail if
8 you would like to look at it.

9 THE COURT: Let me tell you what I think we need
10 to do. The reason I had this hearing is that I am very
11 uncertain that I am going to get done what needs to get
12 done in this case, and I think there have been too many
13 judges that have said somebody else has jurisdiction or
14 control. I have the jurisdiction of the parties. They
09:55 15 are in my court.

16 First of all, I need to make sure that you stay
17 in the case. I don't want a ninth set of lawyers in the
18 case. I need money put in your trust account by
19 Mr. Baron. And I'll tell you how much money I need in
20 your trust account. I need \$50,000 in your trust account,
21 and that is nonrefundable. That's nonrefundable. When
22 that runs out, I need another \$50,000 in your trust
23 account, and again that's nonrefundable. And I need that
24 done, and I need an order, and Mr. Krause, you prepare a
25 very short order for me that it is ordered that the

09:56 1 defendant put \$50,000 into the trust account -- Give me
2 your name again.

3 MR. KRAUSE: Friedman and Figer.

4 THE COURT: Friedman and Figer. And it's
5 nonrefundable, and of course, your hourly rates are to be
6 applied against that fund, and when that account is
7 diminished by your rate, another \$50,000 is to go in, and
8 when that is diminished, another fifty thousand must go in
9 until the matter is resolved. I don't want anymore
10 lawyers in this case, and I do think it's instructive that
11 you worked out the preliminary injunction. I do feel that
12 shows I've got lawyers who at least understand the
13 problems. But that \$50,000 needs to go into your account
14 on July 6th. It needs to be replenished and always
09:57 15 nonrefundable.

16 By the way, you are not getting out of this
17 case. So I don't want to see any motion to withdraw. And
18 I am going to keep that trust account of yours replenished
19 until we get this done. So I need that order. You can
20 just put it on -- put that motion and order on CM/ECF, and
21 I'll sign it. It ought to be done this afternoon or in
22 the morning.

23 Also, I need the preliminary injunction to be
24 amended to give more time -- And by the way, you are
25 reaching the end of my patience here. Because I may put a

EXHIBIT 30

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., ET AL. (Number 3: 09-CV-0988-F
Plaintiff, ()
vs. ()
JEFFREY BARON, ET AL. ()
Defendant. (July 9, 2009

Status Conference
Before the Honorable Royal Furgeson

A P P E A R A N C E S:

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Reported by: Cassidi L. Casey
1100 Commerce Street, Rm 15D6L
Dallas, Texas 75242
Phone: 214-354-3139

09:14 1 up to?

2 MR. LURICH: Candidly, your Honor, I don't know
3 the aspects of everything. I have some e-mail
4 communications with him.

5 MR. KRAUSE: I do think -- and I reported on the
6 call Monday -- he has been hired by Mr. Baron as a general
7 counsel. I think he primarily is involved in helping Mr.
8 Baron on business aspects, and I did not know that he
9 apparently helped Jeff send out these e-mails last night.
10 I don't believe there was a five o'clock deadline
11 yesterday, by the way. I believe they were sent pursuant
12 to the order.

13 THE COURT: Why did Mr. Kline take it upon
14 himself to send an e-mail that was different from the one
09:15 15 agreed to?

16 MR. KRAUSE: I don't know the answer to that,
17 but I think the differences are minor. I think what they
18 sent -- When I woke up this morning, I had twenty-five
19 e-mails on my Blackberry. I can't read those on the
20 Blackberry. Earlier in the day when I sent Mr. MacPete
21 the first e-mail draft, I think that's what they used.
22 But any differences can be resolved. John and I knew that
23 we were going to get feedback from these people and have
24 to talk to them. If there is any concerns that need to be
25 addressed, we can do that.

09:16 1 THE COURT: Do you have his number?

2 MR. KRAUSE: I don't.

3 THE COURT: What is Mr. Kline's name.

4 MR. KRAUSE: Jay Kline, Jr.

5 MR. LURICH: I believe he practices with Kline
6 and Kline. His father is a lawyer as well.

7 MR. MACPETE: Your Honor, the key factor in
8 that --

9 THE COURT: I've got one in larger print. Is
10 that the one agreed to.

11 MR. MACPETE: That's the one agreed to, your
12 Honor.

13 THE COURT: Okay.

14 MR. MACPETE: The one in smaller print, the way
09:23 15 the letter was sent out, the PDF was unable to respond.
16 So I was unable to print it. So I had to do the
17 print-screen thing. So I apologize for it being so small.
18 That's the only way I could print it out.

19 The first letter basically says, We have a
20 contract with you, and any names under that contract, any
21 money you get for names under that contract, you need to
22 pay in this way. So it essentially eliminates the
23 wiggling, if you will, that Mr. Baron has been doing about
24 what he thinks is at issue versus what the lawyers think
25 is at issue.

09:23 1 The first one, by Mr. Kline deletes the sentence
2 we have about the contract, and then it says just monies
3 related to the Simple Solutions and Manassas portfolios,
4 and I have no idea what those are, and I don't know
5 whether that's Mr. Baron again, his personal opinion about
6 the names which are at issue in this lawsuit versus what's
7 actually at issue, and that's the problem I'm having
8 between the two letters, aside from the fact that he sent
9 out a letter I didn't agree to, I hadn't even seen.

10 MR. KRAUSE: Your Honor, I think this is easily
11 fixed. What we heard from one of these folks that wants
12 to see the order -- That's one of the things we need to
13 talk about. I don't think any of these people are going
14 to comply with that request without seeing the order, and
09:24 15 we now have the e-mail addresses we can send from the
16 lawyers -- send a clarification e-mail today to resolve
17 this.

18 MR. MACPETE: That issue did come up last night.
19 Unfortunately, I happened to be sitting in front of my
20 computer when this all came out, and I don't know if Mr.
21 Kline is aware the preliminary injunction is sealed. So I
22 immediately responded to the third-party company that said
23 we'd like to see a copy of the order and said You can't,
24 but you are getting the direction from your client. You
25 don't need to see the order. Your client is telling you

09:25 1 this is how they want the money paid out. The fact that
2 he's been told to do that by the Court is not really
3 relevant for your purposes. So I disagree with Mr. Krause
4 that we need to be showing the order around. That was the
5 whole idea behind Mr. Baron would be the one sending out
6 the notices, coming from the customer.

7 THE COURT: Do we have Mr. Kline's phone number

8 MR. LURICH: The third-party imaging companies
9 are not our clients. We're trying to assist in that
10 process with the remote servers. They wanted to see the
11 orders.

12 MR. MACPETE: We're talking about the
13 monetization company.

14 MR. LURICH: The order we want to send is to the
09:25 15 servers.

16 MR. MACPETE: No, you have mixed it up.

17 MR. KRAUSE: Different issues. I think one
18 problem is that not all of these monetization companies
19 have contracts with my client, and we're going to have to
20 show something to them. The order I think is the only
21 thing that can do that to get them to comply with the
22 order.

23 THE COURT: Well, we can work on this a minute.

24 Ms. Casey has the number. What is his number?

25 9-7-2-2-1-7-2-3-9-4.

09:27 1 THE COURT: Mr. Kline, this is Judge Furgeson
2 from federal court. I'm calling you to tell you you may
3 be under some confusion representing Ondova and Mr. Baron,
4 but anything that involves litigation in my Court should
5 be coordinated through Mr. Lurich and Mr. Krause. An
6 e-mail was sent out this last night to we think
7 monetization firms that was not agreed to by the parties,
8 and so I've got to put you in touch with Mr. Lurich and
9 Mr. Krause as soon as possible. If you have any questions
10 about how this is to be arranged or done, we can have a
11 hearing in my court this afternoon or in the next several
12 days so that I can give you clear instructions about what
13 you are supposed to do. But you are not to do anything in
14 regard to the pending litigation.

09:28 15 I tell you --

16 MR. KRAUSE: I think he got the point.

17 THE COURT: Why don't you guys try to call? I
18 may have to enter an order on Mr. Kline or advisory.

19 MR. MACPETE: Your Honor, I don't have any
20 problem with Mr. Kline. I think what's happened here is
21 there is a demonstrated track record of playing games with
22 lawyers, and I think this is a situation where Mr. Kline
23 got bamboozled by Mr. Baron who knew very well he was not
24 supposed to send out the letter he wrote and knew it was
25 not supposed to go to Google and Oversee, and he worked a

09:30 1 lawyer unfamiliar with the facts. That's what I'm
2 complaining about. I think Mr. Kline in this case was
3 probable an innocent dupe.

4 THE COURT: Well, I'm not going to make any
5 judgments.

6 MR. LURICH: Voice mail, your Honor.

7 MR. KRAUSE: I would add from my knowledge of
8 what happened is he was providing help to Mr. Baron
9 sending out the e-mails, and I do doubt that he understood
10 that there were two versions of the e-mail. I don't have
11 any doubts about that.

12 THE COURT: Well, I don't need a lot of chefs in
13 the kitchen. That's my goal. I want to keep you guys as
14 the chefs. I want you guys to keep trying to talk to Mr.
09:30 15 Kline. If he has any questions, I will be glad to meet
16 him in court and clarify his instructions. But he may be
17 certainly innocent. He may be being helpful. We just
18 have got to get this straightened right away.

19 Now, Mr. Lurich, what do you have to tell me?

20 MR. LURICH: I'd like to address some of the
21 things counsel informed the Court with respect to the
22 progress of the preliminary injunction. We certainly
23 dispute that there was any noncompliance with respect to
24 the passwords and log-ins. That information was provided
25 by 5:00 p.m. on Friday, July 3rd. As the order says, if

EXHIBIT 31

08:20 1 in Judge Hoffman's court?

2 MR. LURICH: No, but he did enter a stay. So
3 all matters in Judge Hoffman's court have been put on hold
4 depending on this Court and obviously the bankruptcy.

5 THE COURT: Did your firm file the bankruptcy or
6 did another firm?

7 MR. FRIEDMAN: Can I address that, your Honor?

8 THE COURT: Sure.

9 MR. FRIEDMAN: For the record, Larry Friedman.
10 I didn't find out about the bankruptcy until about ten
11 o'clock last night when I checked my e-mails and saw an
12 e-mail that indicated that this bankruptcy had been filed.
13 So we had no knowledge. My firm didn't file it. I notice
14 today in the court there is an attorney, J. Kline, who was
08:21 15 working as an assistant to Mr. Baron at the office doing
16 some transactional work, and I understand it was either
17 Mr. Kline's decision or it was Mr. Kline motivated the
18 filing of this bankruptcy.

19 Now, this is the second time Mr. Kline has
20 interfered with my stewardship of this case. The first
21 time he called Mr. Giovanni (phonetic), who called Mr.
22 MacPete, and Mr. MacPete reported that to the Court. I
23 had a conversation with Mr. Kline, and I reported to Mr.
24 Kline this Court's order that no lawyer would participate
25 in this case on behalf of this side without this Court's

08:22 1 permission. And I not only reported that order to Mr.
2 Kline, I got Mr. Kline's commitment as an attorney that he
3 wouldn't meddle in this case. Obviously, that didn't
4 happen because apparently he went to his buddy last night,
5 Paul Keiffer, and behind my back put Ondova into
6 bankruptcy. Not only do I think that's a bad idea for my
7 clients, but it's discourteous to me, Mr. Lurich, Mr.
8 Krause, who have been working diligently on this case, and
9 discourteous to the Court as to how it happened. And
10 since Mr. Kline is here maybe he has an explanation for
11 all of this.

12 THE COURT: Okay. Thank you, Mr. Friedman. In
13 just a minute I will ask Mr. Kline to bring us up to date.

14 MR. FRIEDMAN: As to Mr. Baron, I will say this.
08:23 15 Since I have met Mr. Baron, I have kind of grown to like
16 Mr. Baron. He's an unusual type of person. Kind, shy,
17 kind of sheepish. But I do think since Mr. Lurich took
18 over and Mr. Krause took over, they have Mr. Baron pretty
19 much on the right track. He works by himself. He doesn't
20 have any staff. He's overwhelmed with the work that's
21 required of him. He's working seven days a week, working
22 eighteen hours a day. I don't know that what is occurring
23 is perfect, but I do think that he's doing the best he
24 can. I do think he's doing the best he can to comply with
25 the Court order, and I do think we're materially in line

08:23 1 with the Court's order and making substantial progress.
2 And I thought up until last night that we were headed
3 towards full compliance with the Court's order.

4 The only issue that we really had was the cost
5 and expense of going forward. And as I know the big
6 picture, what the purpose is -- Because as I look at the
7 big picture as a businessman, these people need to part
8 ways. It's either these people buy the Baron side out or
9 the Baron side buys those people out. But in either case
10 one side or the other winds up with everything. So my
11 suggestion to the Court this morning -- And of course, we
12 defer to your good judgment -- is to at the right time
13 appoint us to a mediator or mediation, and maybe we can
14 expedite the process of one side or the other winding up
08:24 15 with the whole thing.

16 THE COURT: Well, I do believe your firm, Mr.
17 Friedman, has been very constructive in the way you have
18 handled this matter from the absolute outset, and I do
19 appreciate how your firm has come up to speed and how
20 diligent you have been. And I think it's good judgment
21 you have used in directing your client to try to work his
22 way out of this matter. One way or the other, these
23 parties do need to be separated and go on their way, and
24 certainly that's a worthy goal. I am concerned that we're
25 talking about what appears to be in the range of \$150,000

08:25 1 to \$175,000 to finish up with this imaging company. And
2 at some point, you know, we need to consider what the
3 overall expense of this project is going to be. Because
4 my goal also is that the parties are able to enjoy the
5 fruits of their labor and that we not spend the money
6 unproductively. So I'm concerned about that. There may
7 be no other way to do this, and I'm not making a comment,
8 and that's why Mr. Vogel is here because I do seek some
9 assistance from him. But I do think your firm from the
10 outset has taken a very constructive approach to your
11 counsel to Mr. Baron and his companies. I do know he's
12 under -- I'm sure -- a lot of stress. But the goal here
13 is to end this matter in a way that's fair to both sides
14 so that they can go on about their business. So I do want
08:27 15 the record to reflect that I have been impressed by your
16 firm's efforts in this matter.

17 MR. FRIEDMAN: Thank you.

18 THE COURT: I think that's all I have, Mr.
19 Friedman, for you and Mr. Lurich. Maybe we can hear from
20 Mr. Kline, and then I'd like Mr. Vogel to give me some
21 input as well.

22 Mr. Kline.

23 MR. KRAUSE: Jay Kline. I'm an attorney working
24 with Ondova. I'm sorry Mr. Friedman characterized my
25 participation in this case the way he did. My

08:27 1 participation has been helpful, and to my understanding we
2 were working well with counsel. Towards the beginning of
3 last week, I took a look at his financial situation, and
4 it was clear it wasn't going to be able to pay its debts.
5 So the company engaged bankruptcy counsel to examine the
6 situation and to give it advice, and I wasn't that
7 counsel. But my participation in this has been to aid the
8 company in whatever way possible. I stepped into this
9 case, your Honor, the day the imaging started, and I have
10 been working with Mr. Baron 16, 20 hours a day
11 approximately to comply with this Court's orders, and I
12 can tell you from my prospective, your Honor, we have
13 worked as hard as we can possibly do to comply. The
14 bankruptcy is not a subterfuge of this Court in any
08:28 15 manner. It's for the company to survive. At least from
16 my prospective, your Honor, the company needed this
17 rehabilitation. It's in Judge Jernigan's court here, and
18 we anticipate to comply with everything the Court orders.
19 And does your Honor have any questions of me?

20 THE COURT: Well, Mr. Baron -- perhaps because
21 of his lack of sophistication or his lack of understanding
22 of legal processes or the way lawyers work or whatever --
23 has gone through enormous numbers of lawyers at great
24 expense to himself and a lack of continuity to his
25 representation and I think to his detriment. So my goal

08:29 1 after this case was filed and people began appearing in my
2 Court -- In fact, Mr. Friedman and Mr. Lurich and Mr.
3 Krause were -- came into my court as the second lawyers in
4 my Court. And then I guess Ms. Aldous and Mr. Rasansky
5 came in, and they had been lawyers for Mr. Baron. And I
6 had understood from the proceedings that there had been
7 four or five other lawyers. It was like serial
8 representations where no lawyer could ever get into the
9 case in a sufficient way to figure out what was going on.
10 So my goal was to stop the musical chairs. I was very
11 impressed, as I said, by Mr. Krause, Mr. Lurich and
12 Mr. Friedman and their good judgment in representing Mr.
13 Baron, and I wanted them to be lead counsel, as they have
14 been designated, and continue as lead counsel so that we
08:30 15 can prevent this musical chairs and prevent what I
16 consider to be a great detriment to Mr. Baron. So I have
17 been unable to reach you. I think I left a message on
18 your cell phone, but my goal was that if you were going to
19 have any role to play with Mr. Baron that you coordinate
20 everything with Mr. Friedman, Mr. Lurich and Mr. Krause so
21 again that there could be a unity of representation and a
22 thoughtfulness of representation. I will tell you I am
23 disappointed apparently that this bankruptcy was filed
24 without notice or input from Mr. Friedman, Mr. Lurich, Mr.
25 Krause, who are here in this Court representing Ondova and

08:32 1 Mr. Baron. And so you know they wake up one night and
2 there is a bankruptcy pending and they don't know anything
3 about it. They don't know why it was done. No one
4 consulted with them. And my concern is that again rather
5 than trying to resolve issues that face Ondova and Mr.
6 Baron, this is going to delay the matter. I can't see
7 that it's going to create any added value to the case, and
8 if there were concerns about the financial liability of
9 Ondova, it seems to me that was a matter that Mr. Friedman
10 and Mr. Lurich and Mr. Krause could have worked on,
11 consulted with you and considered it and figured out the
12 best way to go. We're creating a second and third layer
13 of expense, costs, and as I said, I don't know what value
14 is going to be added to this. Mr. Baron's problem is he's
08:33 15 way over litigious with way too many lawyers. From all
16 appearances in my Court, he happened on three very good
17 lawyers in Mr. Krause, Mr. Lurich and Mr. Friedman whose
18 performance in this Court has been I think of the highest
19 order and whose performance has shown not only legal skill
20 but good judgment and good common sense, and now I'm
21 sitting here with a bankruptcy stay that's occurred
22 without any input at all.

23 MR. KLINE: Your Honor, I was informed that Mr.
24 Friedman was informed on Thursday of last week.

25 THE COURT: Informed? Did anybody sit down and

08:34 1 say this is where Ondova is? Let's have a meeting? Let's
2 talk about this and see if this is the best way to
3 proceed? You are telling me that occurred with Mr.
4 Friedman? This is what Ondova's situation is, this is the
5 best route to follow, and he gave his full blessing to
6 this? Is that what happened?

7 MR. KLINE: That's not what happened. I don't
8 believe that occurred.

9 THE COURT: Why wouldn't that have been a good
10 idea?

11 MR. KLINE: I guess I'm not prepared to answer
12 that question. I wanted to be here this morning to be
13 sure that somebody was here to answer. I was afraid I was
14 going to be attacked again, and I think if we had an
08:35 15 evidentiary hearing the doubt that's been cast on my role
16 and the compliance of Mr. Baron, we would hear
17 differently, and I was not at liberty to discuss with Mr.
18 Friedman what was occurring last week, your Honor. I'm
19 not sure what you would like me to say. I understand the
20 Court's concerns, and I have read the transcripts. I have
21 tried in every manner to comply with it. I'm not trying
22 to replace Mr. Friedman. It's not my intent to do
23 anything like that. I thought we had a good relationship.
24 The focus is easy to put on me here. That's what I'm
25 saying, and if the Court could allow us to present our

08:36 1 case at the proper time, I think you may have a different
2 viewpoint on this.

3 THE COURT: Well, I will certainly allow you to
4 do that. I'm just expressing my concerns to you. It's
5 also unclear to me why you were the person who was helping
6 Mr. Baron comply with the orders that had been issued from
7 this Court when I actually thought that was the job of Mr.
8 Krause, Mr. Lurich and Mr. Friedman, and I tried to make
9 it clear that everything in this Court should be handled
10 by these lawyers. So probably at the end we're going to
11 have to come down and figure out why all of this has
12 happened the way it has. I think if we can get the
13 bankruptcy matter clear and resolved, I am going to issue
14 an order that you and bankruptcy counsel appear before me,
08:37 15 and we make sure that everybody understands who's in
16 charge in this Court for Mr. Baron and for Ondova. I'm
17 certainly going to let you have your say on that, but I
18 want it to be real clear while we're here together today
19 that any compliance of any order that has been issued by
20 this Court for the defendants is going to be the sole
21 responsibility and of Mr. Friedman and Mr. Lurich. And I
22 don't want anyone else that would come into this Court and
23 ask to be involved through leave of Court. I don't want
24 anyone else doing anything to help the defendants meet the
25 requirements of the Court orders. So I want to be real

08:38 1 clear about that. I don't know what your role is.

2 MR. KLINE: May I address that, your Honor?

3 THE COURT: Yes, sir.

4 MR. KLINE: I was there physically with Mr.
5 Baron. They were in their office. I was helping him
6 work, collecting things. Tremendous amount of information
7 to cipher through, and that's what I was doing. I was
8 physically with Mr. Baron.

9 THE COURT: I would have thought -- And again,
10 I'm not clear where everything has happened here, but I
11 would have thought that working with Mr. Baron for
12 compliance, working with him to make sure he complied
13 would be the job of Mr. Krause or Mr. Lurich or Mr.
14 Friedman. And if there is some confusion about that
08:39 15 today, I don't want there to be any confusion about it
16 tomorrow. Anything that Mr. Baron or Ondova or anyone
17 else has to do in complying with the Court orders, I want
18 them to direct him, not you.

19 MR. KLINE: Yes, sir.

20 THE COURT: And that's a directive of the Court.
21 And I know you will follow that directive without any
22 question.

23 MR. KLINE: Yes, sir.

24 THE COURT: So anything to do with this case is
25 in the hands of these lawyers, and no one is to be

08:40 1 involved in anything to do with this Court unless I give
2 leave, and the only people I give leave to is Mr. Krause
3 and Mr. Lurich and Mr. Friedman. So you are clear about
4 that, right?

5 MR. KLINE: Yes, sir.

6 THE COURT: Now, it will be necessary that at
7 some point in these proceedings I am going to have to have
8 you and bankruptcy counsel here. Of course, I'm deferring
9 to the bankruptcy court, and I know I'm not in any way
10 going to do anything that interferes with the stay that's
11 entered in the bankruptcy court. I'm not going to do that
12 at all. But I do know that I'm sure Mr. MacPete for the
13 plaintiffs and Mr. Friedman, Lurich and Krause for the
14 defendants will be seeking guidance from the bankruptcy
08:41 15 court, and hopefully that will be received very shortly.

16 As I say, my concern is that Mr. Baron -- and I
17 don't know why -- continues to complicate his legal
18 problems by just layering lawyer upon lawyer upon lawyer
19 into his activities. And I'm not for sure what benefit
20 anybody is getting from that. I do agree -- I don't know
21 if I agree with Mr. Friedman's solution. But I do agree
22 with Mr. Friedman's ultimate view that Mr. Baron and his
23 companies and Netsphere and their operations need to be
24 separated in a fair and thoughtful way. And that's my
25 goal.

EXHIBIT 32

18:00

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, ET AL (Number 3: 09-CV-0988-F
(
Plaintiffs, ()
()
vs. ()
()
JEFFREY BARON, ET AL. ()
()
Defendants. (August 18, 2009

18:00

Status Conference
Before the Honorable Royal Furgeson

A P P E A R A N C E S:

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18:00 1

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18:00

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Reported by:

Cassidi L. Casey
1100 Commerce Street, Rm 15D6L
Dallas, Texas 75242
214-354-3139

CASSIDI L. CASEY, CSR, 214-354-3139
UNITED STATES DISTRICT COURT

15:19 1 entire bankruptcy case was the result of forum shopping
2 and litigation tactics by Mr. Ondova. The purpose of
3 bankruptcy is to afford the honest debtor a fresh start.
4 I don't think we have that. Here, we have Mr. Baron's
5 attempt to evade this Court's orders and find himself a
6 new forum in which he can pursue this lawsuit for all
7 intents and purposes and try to undue the settlement
8 agreement or whatever he intends to do in the bankruptcy
9 case.

10 THE COURT: As I look at Mr. Baron, I think he's
11 a desperate man. I think he's a nice man, but a desperate
12 man, and he keeps looking for the pot at the end of the
13 rainbow. I think this is a litigation tactic. There is
14 no one in this courtroom that can look at this and think
15:20 15 it's anything other than an effort to get out from under
16 my jurisdiction. That's what it is.

17 MS. HAYWARD: That's my point. And Judge
18 Jernigan recognized that in an hour and a half of the
19 motion to lift the stay and said so on the record.

20 So back to the withdrawal of reference and the
21 reference itself, there is two provisions under which this
22 Court could withdraw the reference to the extent it refers
23 it to the bankruptcy court, the mandatory one we discussed
24 that has trademark law being law that affects interstate
25 commerce, and permissively this court may withdraw the

EXHIBIT 33

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, ET AL (Number 3: 09-CV-0988-F
(
Plaintiffs, ()
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vs. ()
(
JEFFREY BARON, ET AL. ()
()
Defendants. (September 10, 2009

Status Conference
Before the Honorable Royal Furgeson

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13:02 1 MR. LURICH: Your Honor.

2 MR. MACPETE: May I finish?

3 MR. LURICH: This is highly disputed evidence.
4 I have e-mails. What Mr. MacPete is going to say is he
5 was unaware of certain companies having an employee. I
6 have e-mails prior to the lawsuit where Mr. MacPete was
7 notified by --

8 THE COURT: Let me cut you have off. I think
9 we're going to hire criminal counsel for Mr. Baron. I
10 think Mr. Baron is very close to sustaining criminal
11 liability. He's in a bankruptcy court under the most
12 unusual of circumstances that could create liability. He
13 has obligations to not obstruct justice in this Court.
14 And so I will tell you, Mr. Lurich, I want you to go get
13:03 15 him a criminal lawyer. He needs criminal counsel, and
16 that needs to be done, and it will be paid out of your
17 trust funds. But I want Mr. Baron to receive counsel from
18 a reputable criminal lawyer. I'm understanding that you
19 have the ability to do that. Before you do that, I want
20 you to coordinate with the special master, just to let him
21 know who it is. I want him informed. I have thought
22 about this for some time now, and I think Mr. Baron really
23 cannot go forward any longer without criminal
24 representation, and so you need to get him a good criminal
25 defense lawyer.

EXHIBIT 34

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In Re:) **Case No. 09-34784-sgj-11**
)
ONDOVA LIMITED COMPANY,)
) **Dallas, Texas**
Debtor.) **Wednesday, August 5, 2009**
) **2:00 p.m. Calendar**
)
) **EMERGENCY MOTION FOR RELIEF**
) **FROM STAY [Docket #21]**
)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

APPEARANCES:

For the Debtor: Edwin Paul Keiffer
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Inc. and Netsphere, Inc.: FRANKLIN SKIERSKI LOVALL HAYWARD
LLP
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(214) 789-9977

For Manila Industries, John MacPete
Inc. and Netsphere, Inc.: LOCKE LORD BISSELL & LIDDELL LLP
2200 Ross Avenue, Suite 2200
Dallas, TX 75201
(214) 740-8662

Court Recorder: Dawn E. Harden
UNITED STATES BANKRUPTCY COURT
1100 Commerce Street, 12th Floor
Dallas, TX 75242
(214) 753-2046

1 Court finds cause under Section 362 of the Bankruptcy Code
2 and rules this way for several reasons.

3 First, while this Court has exclusive jurisdiction over
4 property of the bankruptcy estate, the property of the estate
5 allegedly implicated here is certainly remote. The record
6 and positions of the parties indicate that the Debtor had no
7 ownership of domain names, ever, but only some right while it
8 had them registered to some future income stream, but that
9 property right has been limited or diminished prepetition.
10 The domain names had been deleted, and then it was agreed to
11 by the Debtor and ordered by the federal District Court that
12 the names would be restored and transferred.

13 As far as this Court is concerned, what was left to be
14 accomplished with regard to restoration and transfer of the
15 domain names was ministerial. To hold that the Debtor had a
16 meaningful property right at this point because it had some
17 right of redemption, allegedly, before it agreed to the
18 injunction is disingenuous to the Court. The point is the
19 Debtor agreed to the injunction, and the injunction was
20 issued.

21 Moreover, it appears to this Court to be an affront to
22 what has already transpired after many weeks or months before
23 the District Court, of much wrangling, analysis and
24 litigation. If the Debtor wants out of the preliminary
25 injunction, it can ask Judge Furgeson to set it aside, or

1 appeal Judge Furgeson to the Fifth Circuit.

2 In fact, the Court is lifting the stay for all of these
3 purposes in that litigation. The Debtor is free to do that.
4 But this Court will not allow, essentially, a re-do in this
5 Court or attempt to preempt Judge Furgeson. The Court
6 believes, with all due respect to the Debtor's fine
7 bankruptcy counsel here, that there was some forum-shopping
8 going on, and this was mostly a litigation tactic.

9 This Debtor can certainly attempt to reorganize in this
10 Court. The Bankruptcy Courts are here for the honest but
11 unfortunate debtor who is wanting to get a respite from
12 creditors, streamline litigation, have an orderly claims
13 allowance process, preserve value for creditors, preserve
14 jobs, preserve contributing corporate citizens. But be that
15 as it may, the Court would view it to be a preemption of
16 Judge Furgeson's hard work and role in this already to
17 essentially transfer litigation disputes with Netsphere to
18 this Court at this juncture.

19 So, the Court does not believe it would be in the
20 interests of justice or judicial economy or anything else
21 worthwhile to step in the middle of all this.

22 The Court notes that Judge Furgeson has had a special
23 master to help him understand the technical issues. Again,
24 the testimony or record is that there were almost-weekly
25 hearings for several weeks.

EXHIBIT 35

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) BK. NO: 09-34784-SGJ-11
)
ONDOVA LIMITED COMPANY)
D E B T O R)

* * * * *

TRANSCRIPT OF PROCEEDINGS

* * * * *

(Redacted Transcript)

BE IT REMEMBERED, that on the 1st day of September,
2009, before the HONORABLE STACEY G. JERNIGAN, United States
Bankruptcy Judge at Dallas, Texas, the above styled and
numbered cause came on for hearing, and the following
constitutes the transcript of such proceedings as hereinafter
set forth:

1 If I may approach the Court with that filing in the
2 U.S. District Court?

3 THE COURT: You may.

4 MR. MacPETE: May I have a copy of that?

5 Thank you very much.

6 MR. KEIFFER: In particular, Your Honor, in
7 this first paragraph it states, Unbeknownst to Friedman &
8 Feiger, L.P., Jay, our client, hired E.P. Keiffer with a law
9 firm who put Ondova into bankruptcy.

10 The voluntary petition contains Mr. Baron's signature,
11 as does his engagement letter with the firm. Now, I don't
12 know what's happening here. I'm not sure. I don't know what
13 more I can say, other than refute that specific point. We
14 were hired. Mr. Baron signed the voluntary petition and he
15 signed the engagement, Mr. Klein did not. Mr. Klein is not a
16 representative of the debtor. I wouldn't start a case based
17 upon somebody else's statement that I'm hired.

18 So I'm -- if the Court requires me to go forward, I will
19 go forward and press the case. I'm ready on the case. But I
20 would prefer the debtor have his choice. The debtor gets
21 what he asks for.

22 THE COURT: Well, let me just say at the
23 outset, I am not going to tolerate a game of musical lawyers
24 in this case. I have heard at prior hearings what has
25 happened in the district court, a little bit of what's

1 happened in the district court. Part of what I heard was
2 that Mr. Baron and/or Ondova changed counsel, what, seven or
3 eight times?

4 MR. KEIFFER: I don't know that it was
5 particularly in the district court, but matters leading up to
6 and were ultimately involved in the same point, there had
7 been. I think there was only one change, maybe two at the
8 district court level. The 68th Judicial District there had
9 been many others that had been changed, but not at the U.S.
10 District Court. But the history in the dispute --

11 THE COURT: Mr. MacPete, how many lawyers has
12 Ondova had in the litigation upstairs?

13 MR. MacPETE: There are eight total, if you
14 include Mr. Keiffer, seven if you do not include Mr. Keiffer.

15 MR. KEIFFER: But those weren't all at the
16 U.S. District Court level.

17 MR. MacPETE: No. There were two at the U.S.
18 District Court level and five at the -- five or six at the
19 state court level.

20 MR. KEIFFER: That's what I was saying.

21 MR. MacPETE: The state court case and the
22 district court case overlapped. So there's a total -- if
23 Mr. Pronske were approved, there would now be a total of nine
24 counsel on behalf of Ondova. And, frankly, Your Honor, this
25 is the third Court in which this tactic has been employed. I

1 can't put my hands on the transcript right now, but Judge
2 Hoffman in the 68th State District Court has said some very
3 harsh things from the bench about Mr. Baron's proclivity to
4 change counsel on the eve of a hearing in order to get a
5 continuance. And that he's not tolerating it in his court.

6 THE COURT: Well, I'm surely not going to
7 tolerate it where I have a debtor in possession. You know,
8 it shouldn't be tolerated by any litigant as a tactic or
9 strategy. But when you are in this Court as a Chapter 11
10 debtor, you have fiduciary duties and suddenly it becomes a
11 more serious issue.

12 MR. KEIFFER: Your Honor, as you could
13 understand, I received this letter this morning. And in many
14 respects to disobey the request of the letter would be, in a
15 sense, a breach of attorney/client obligations. I realize as
16 counsel for the debtor that I'm something more. That's why I
17 wrote it in the manner that I wrote it so that the Court
18 would understand what was happening. I am obliging my client
19 the request. There is -- I have my own personal views on
20 this which I don't now if it would necessarily matter at this
21 juncture.

22 I have views that are bound by attorney/client
23 privilege that unless and until or if circumstances warrant
24 that the Court says, You are free from that, or other
25 circumstances warrant, I will discuss those. But right now I

1 am at, in a sense, the mercy of the direction of the client.
2 I can basically -- didn't even have time to file a motion to
3 withdraw indicating functionally my concerns with this. All
4 I did was comply with the request of the party.

5 To the extent that a motion to withdraw would make it
6 more clear as to somewhat the nature of the conflict and the
7 issues that this Court may draw whatever inferences it wants
8 to from it. I will follow it. But I'm not here to -- I'm
9 ready to proceed and defeat -- not defeat, but to show that
10 the other parties can't meet their burden under 363(p)(2)
11 today. If the Court wishes us to proceed, then I will
12 proceed. I understand my duties as counsel for the debtor.

13 THE COURT: Okay. Well, your motion mentioned
14 Pronske & Patel.

15 MR. KEIFFER: Yes, Your Honor, that is
16 correct.

17 THE COURT: And I happen to see Mr. Pronske
18 sitting out there. Mr. Pronske, can you speak to what is
19 going on here?

20 MR. PRONSKE: Good morning, Your Honor.

21 THE COURT: Good morning.

22 MR. PRONSKE: I'm Gerrit Pronske and have been
23 proposed as counsel for the debtor.

24 Your Honor, I was contacted by voicemail for the first
25 time on Saturday. I was not able to speak to anybody until

1 late Sunday evening, very little, and some yesterday. So I'm
2 very new to the situation. We were -- our firm was
3 interviewed, I guess you would say, or we discussed the
4 filing of the case prior to I think Mr. Keiffer being
5 involved and had maybe a couple of meetings. But I don't
6 really know much about the case.

7 My understanding is that there are significant
8 differences between counsel and the client that would require
9 seeking a termination of the counsel and we've been asked to
10 take over. What we have proposed is an arrangement and we're
11 not -- we intend to file an application, if the Court allows
12 us to do so, we intend to file an application to be employed.
13 We have to make determinations of various things such as
14 conflicts and we've done our own conflict's check and we
15 don't have a conflict, but to make sure that there's no
16 issues or problems with sources of retainers and things that
17 would obviously require disclosure to this Court and approval
18 of this Court.

19 But subject to those things and subject to actually
20 getting involved in the case and meeting with the client and
21 understanding what's going on, we're prepared to move
22 forward. The -- it is my understanding that the client is
23 requesting the continuance is because they don't want this to
24 go forward with -- at an important juncture in the case, the
25 use of cash collateral, with Mr. Keiffer moving forward this

1 morning. For whatever reason that conflict between the
2 client and Mr. Keiffer has risen. It is, as the Court knows,
3 the debtor's motion for -- to use cash collateral. And I
4 understand it's a great inconvenience to this Court, which
5 has set aside a substantial amount of time today for that
6 hearing. But the request is that there be a continuance and
7 we be able to get up to speed. And I don't think it would
8 take us too long. I think probably three or four days is all
9 we would need to get up to speed enough, at least initially,
10 to go forward with an application to employ and before moving
11 forward with the cash collateral.

12 I, too, am aware of issues relating to changing of
13 counsel before and I have inquired about that. That's always
14 a red flag, as the Court knows when counsel have been
15 changed. I have -- I can't tell you that I've done all of
16 the due diligence that I need to do, but I can tell you that there
17 are two sides to the story. And although the number of
18 counsel that have been involved in the case is unusual, there
19 appear to be some facts that warranted those changes of
20 counsel.

21 I can't tell you I know, you know, definitively what
22 happened from -- but I can tell you that there are two sides
23 to that story. And we've convinced ourselves enough to move
24 forward with the application to employ.

25 I'm not sure I'm in a position to ask for a continuance

1 since I'm not involved in the cas yet. but I think that the
2 request, if we were to get involved in the case, the request
3 would be appropriate and we could be up to speed very
4 quickly.

5 MR. KEIFFER: Your Honor, could I make one
6 continued response?

7 The indication of conflicts with Mr. Baron is new.
8 We've basically not filed anything without Mr. Baron's
9 approval. We've had some disagreement as to tactics and to
10 how things should or shouldn't be done and in what regard
11 they haven't been done. But this was the first by the letter
12 that was delivered from -- well, counsel at the district
13 court level delivered the letter to us electronically this
14 morning. That was the first time that I've heard of a
15 conflict between myself and the representative of the debtor.
16 But there's a conflict with regard to how or what should be
17 done in the case. There have been, again, some difficult or
18 some harsh words there in the middle of the representation,
19 but ultimately nothing is done unless the client specifically
20 agreed to it.

21 If the client had required me to do something that I
22 felt was inappropriate, I would have withdrawn. So the
23 statement that there's a conflict here is I think a bit
24 disingenuous. I think I know the source of the conflict and
25 I don't know that it's Mr. Baron, but there is a source of

1 conflict there.

2 And I don't know what -- I don't envy your position
3 here, Your Honor. I'm ready to go. Whatever you tell me I
4 need to do.

5 THE COURT: Mr. MacPete.

6 MR. MacPETE: Thank you, Your Honor.

7 I think the one piece of this picture maybe that you're
8 missing is on Saturday -- the reason I had the call with
9 Mr. Keiffer yesterday in which I told him that there was
10 discussion about firing him was a courtesy to counsel. It
11 wasn't a tactic. And I knew about that because I received a
12 call at about 9:30 in the morning on Saturday morning from
13 Mr. Friedman, who is the counsel in the district court
14 litigation, who indicated that he was going to be meeting
15 with Mr. Baron and he was going to be attempting to convince
16 Mr. Baron to fire Mr. Keiffer. And then he asked me what I
17 wanted in order to agree to a continuance of this hearing.

18 I told him at that time I didn't think that I could
19 agree to continue this hearing because it was my
20 understanding that the Court wanted to have this hearing and
21 wanted to hear the testimony of the debtor. I also indicated
22 that even to the extent he and I could reach an agreement
23 that there was another objector, Mr. Rasansky and wasn't sure
24 that he could get agreement from Mr. Rasansky. And, of
25 course, all of that assumed that the Court would even go

1 along with that. That was the extent of my discussion with
2 Mr. Friedman on Saturday. Then again last night I received a
3 call from Mr. Friedman's office and I talked to a lawyer from
4 his office again about please tell us what you would like in
5 order to avoid this hearing tomorrow because we don't want
6 our client to testify.

7 So what this is about is absolutely for delay. It is
8 because their client does not want to testify under oath.
9 And he has continually dodged the ability to get his
10 deposition or other testimony under oath in the life of this
11 case. And that's what this is about. It's not about that
12 there's a Keiffer, a dispute with Mr. Keiffer. It's not
13 about whether Mr. Pronske is an excellent bankruptcy
14 attorney. This is about we don't want Jeff Baron on the
15 stand being cross-examined by Mr. MacPete. That's what this
16 is about. And it is clearly a delay tactic and we would urge
17 the Court not to fall for it.

18 And in addition, I would let you know, Your Honor, that
19 my clients are located in California and I have flown a
20 possible rebuttal witness out here at thousands of dollars of
21 expense based on this hearing being set for today. And now
22 if this gets continued, essentially that's money wasted. And
23 it's money that's continually wasted because we've had all
24 kinds of situations in the district court with discovery
25 before the preliminary injunction where Mr. Baron's

1 deposition was scheduled and then he wouldn't sit for his
2 deposition. My clients flew out for that. They flew out to
3 give their own depositions. All of that was, again,
4 continued by changes in counsel and other attempts at
5 reaching agreements. So this is a constant theme in this
6 case and costs my clients a lot of money and it's not fair.
7 So we would just ask the Court to hold the hearing today.
8 Mr. Keiffer has indicated he's prepared to go forward. And
9 Mr. Baron should give his testimony under oath.

10 Thank you, Your Honor.

11 THE COURT: Here's what we're going to do.
12 It's 5 until 10. The Court is going to take a 5 minute
13 break. And during that 5 minutes I hope that Mr. Baron will
14 talk to his and Ondova's various counsel about the two
15 choices I am laying out there right now. The two choices
16 are, that we either go forward in five minutes with this
17 continued cash collateral hearing, or the Court is going to
18 exercise its sua sponte power under Section 105 of the
19 Bankruptcy Code which the lawyers in the room can explain to
20 Mr. Baron, and who is it, Mr. Nelson, is he the -- the Court
21 will exercise its sua sponte powers to appoint a Chapter 11
22 Trustee for cause. And I will issue the specific findings
23 that I think constitute cause when we come back out here.
24 And that will mean that a Chapter 11 Trustee will be
25 essentially the executive in charge of Ondova, will get its

1 cash, and will handle the Ondova bankruptcy and company
2 strategy going forward in this Chapter 11 case. So we have
3 at least two good bankruptcy lawyers on this side of the
4 room. I don't know if there are other lawyers in the room.
5 But between Mr. Keiffer and Mr. Pronske and anyone else here
6 that might be here on Mr. Baron or Ondova's behalf, they can
7 explain the choice I have set forth here. Again, we either
8 go forward in five minutes, or I'm going to sua sponte
9 appoint a Chapter 11 Trustee.

10 All right. We'll take a five minute break.

11 (Brief recess ensued.)

12 THE COURT: All right. Please be seated.

13 We are going back on the record in Ondova Limited, case
14 number 09-34784.

15 Mr. Keiffer, it would appear as though you all are
16 ready to go forward with the cash collateral motion?

17 MR. KEIFFER: Yes, Your Honor, it appears as
18 such.

19 THE COURT: All right. Mr. Baron, we're going
20 to go ahead and re-swear you in. So if you could stand up,
21 raise your right hand, and face the court reporter.

22 (The witness was sworn by the courtroom deputy.)

23 MS. HAYWARD: Your Honor, I'm sorry. Before
24 we proceed, there are a lot of people in this courtroom. And
25 I believe at some point we're going to be discussing the

1 business is so therefore we can assess the reasonable
2 business needs for the cash, and then hear a little bit about
3 do other people have a potential interest that might be found
4 valid in an adversary proceeding later on down the road so
5 that, therefore, they get some adequate protection if I let
6 you use the cash. Okay?

7 So is everyone clear? Is everyone clear? And just to
8 make the lawyers clear, I will not be whipsawed. Judge
9 Ferguson will not be whipsawed. I think he made it clear
10 with his order the way he envisions this going forward. And
11 Mr. Lurich, I'm going to give you the benefit of the doubt
12 that your conversation with Mr. MacPete was not aimed at
13 something more sinister than what can we offer you as far as
14 adequate protection in exchange for using the cash. But I'm
15 a little bit worried. Okay? So you all need to work hard to
16 get me unworried about things like that I hear in the future.
17 And I'm going to give you the benefit of the doubt on your
18 motion you filed before Judge Ferguson this morning that you
19 weren't, once, again, whipsawing us. And it was concern
20 about his prior statements and his prior order, you felt like
21 you needed to kind of go through the traps with him, as well
22 as filing the 327 application before me. But I still remain
23 confused, because I think his order of August 28th is pretty
24 clear about how he envisions this all playing. He keeps the
25 action and, you know, unless things develop at that status

1 Q. And if I want to get to judgejernigan.com, that is
2 a name which is registered at Ondova, and the way I'm going
3 to get there is through the name server information which
4 Ondova provides, correct?

5 A. That is, I think, a simplistic way of saying a
6 bunch of more things that actually happened. There's, I
7 think, a lot more than happens than what you're saying.

8 Q. And, in effect, since Ondova is the one who has the
9 computers and the information to change the name server
10 information, Ondova can control where a query for
11 judgejernigan.com goes; isn't that right?

12 A. It has participation in that, but it wouldn't be --
13 you've stated it as an absolute. It would have an influence
14 on it, but I don't quite agree with the way you said it.

15 Q. Well, I'm not talking about authority now. I'm
16 talking about the physical ability. The physical ability to
17 direct where judgejernigan.com is going to land when somebody
18 queries it on the internet. Is it strictly within the
19 control of Ondova based on the information that you provide
20 in your Who Is and to Verisign; isn't that right?

21 A. I think you've added some things in there that make
22 what you said not right.

23 THE COURT: Mr. Baron, we are not going to be
24 here -- well, we're probably going to be here all day. But
25 we're not going to be here beyond today. We're going to

1 finish today one way or another. And in order to finish,
2 you're going to have to give more direct and complete
3 answers. Okay? I know this stuff is complicated, but I
4 think you can do a much better job explaining it than you
5 are. Okay?

6 Remember my little speech about transparency and
7 fishbowl and open in bankruptcy?

8 THE WITNESS: Yes, I do.

9 THE COURT: You're going to have to help us
10 with that. Okay?

11 THE WITNESS: Okay.

12 THE COURT: You're the guy in charge of the
13 debtor. And if we can't get a picture of how your business
14 works, we're going to have to put someone else in charge.
15 That's the idea of the Chapter 11 Trustee this morning. You
16 know, I just -- I will have no choice if I don't have someone
17 speaking for the debtor that I can understand and parties in
18 interest can understand. Okay?

19 THE WITNESS: Sure. Yes, Your Honor. I'd
20 just like to say that I have some programming background, but
21 I don't do the programming. And a lot of these things are
22 extremely technical that do have to deal with issues that I
23 may in general know, but I'm not someone on a day-to-day
24 basis does all of the engineering. So I -- some of the
25 things that he's asking is a lot more technical than I can

1 get it.

2 THE COURT: That doesn't mean you're going to
3 get it. Just so your client understands, I have 5,000
4 bankruptcy cases and I can't afford to spend this much time
5 on all of them. So there are other people -- there have been
6 emergency requests going on like crazy back there today that
7 I'm going to spend the next few hours looking at. Okay.

8 MR. KEIFFER: I understand.

9 THE COURT: That's why I can't guarantee you
10 I'm going to say, yes.

11 MR. KEIFFER: Understood, Your Honor.

12 THE COURT: Any way --

13 MR. KEIFFER: I had to discharge my
14 obligation.

15 THE COURT: All right. Thank you.

16 Now for the other housekeeping matters. So we have the
17 hearing on the 11th at 9:30 to finish this once and for all.
18 I'm expecting an agreed order to allow emergency cash
19 expenditures between now and the 11th. Other than that, the
20 debtor has no permission to use its cash.

21 But here is what I'm also going to do. I am going to
22 issue an show cause order in this case as to why a Chapter 11
23 Trustee should not be appointed and we're going to set that
24 for hearing, also on September 11th at 9:30. And here is why
25 I feel the need to do that.

1 I've given a couple of lectures already in hearings in
2 this case about how Chapter 11 is supposed to work, but I
3 guess I feel the need to do it one more time. The goal of
4 Chapter 11 is -- I think the way I typically phrase it is to
5 give the honest but unfortunate debtor a respite from his
6 creditor collection problems and other problems causing
7 financial distress and use that respite to come up with a
8 strategy to either reorganize, and that would be in the case
9 of a viable worthwhile business, or if we don't have a viable
10 worthwhile business, give the debtor a respite, again, the
11 honest but unfortunate debtor with creditor problems and
12 financial distress problems a chance to have a soft landing
13 of his business and do an orderly liquidation.

14 So, again, Chapter 11, it might be about reorganizing a
15 viable business, or it might be about getting a debtor a
16 chance to have a, what we call soft landing, an orderly
17 liquidation, whichever is going to make sense.

18 Whichever of those strategies ends up making sense,
19 reorganization or liquidation, the paramount goal is to
20 preserve value for creditors and ultimately equity holders if
21 you get all of your creditors paid off in full. And -- so
22 that is what Chapter 11 is about.

23 I have concerns, as I've said before, is that what the
24 end goal of this Chapter 11 is really about, preserving a
25 viable business, or giving a soft landing to a business in

1 liquidation, to preserve value for creditors, or is this
2 really about just yet another forum to re-litigate issues
3 with Netsphere? And I also have concern are we focused on
4 preserving the entity, Ondova, and value in that entity, or
5 protecting Jeff Baron?

6 So that's one thing I'm very concerned about and why I
7 feel the need to do a show cause order to consider whether we
8 need to have a Chapter 11 Trustee. I need to perhaps have an
9 independent third party tell me, do we have a viable business
10 here, or do we have a company that we need to orderly wind
11 down and the Chapter 11 forum is what really makes sense.

12 The other reason I'm thinking about a Chapter 11
13 Trustee is we do sort of have the classic situation, as I
14 know Mr. Keiffer will tell his client, where we sometimes
15 appoint a Trustee. And what I mean is we have, for lack of a
16 better term, quite a mess to sort through. We have
17 pre-petition transactions that perhaps an independent
18 fiduciary needs to look at. Perhaps there are assets in
19 other entities that have been wrongfully conveyed out of
20 Ondova. I don't know.

21 But then we also -- besides having that classic
22 situation that we like to have an independent fiduciary look
23 into and examine, we have an officer here, Mr. Baron, a
24 principal here who I'm concerned just doesn't appreciate the
25 role he is supposed to play as a principal of a Chapter 11

1 debtor. Again, I've lectured about this a lot and I suspect
2 Mr. Keiffer has too. But, again, the fishbowl analogy, the
3 open kimono analogy, life is different. Chapter 11 is
4 serious business. It's being forthcoming. And we don't play
5 hide the ball. And Mr. Baron has a tendency to give answers
6 on the witness stand while under oath that seem a little
7 cagey and less than forthcoming. And I understand he has
8 medical issues. And I understand he's not a lawyer and
9 doesn't communicate exactly the way some of us in the room
10 do. He's a technical type. But we can't spend hours and
11 hours and hours in every Chapter 11 hearing in this case.

12 And part of the reason this is going on so long is
13 because of the way Mr. Baron answers questions. It's not
14 what we are used to in this Court. We are used to officers
15 who come clean. This is the first day of the rest of their
16 life. Things have gotten very messed up before the
17 bankruptcy filing either because of financial crisis or
18 litigation or other business disruptions. But, guess what,
19 now we come clean. We get to business. And we're just not
20 getting to business in this court the way we need to in a
21 Chapter 11 case.

22 I'm also worried about his medical condition he's
23 talked about. Maybe that's hampering him from playing the
24 role he needs to play as the principal of a Chapter 11
25 debtor. If it is, again, maybe we need a Chapter 11 Trustee.

1 Last but not least, the attorney/client privilege
2 issue. Remember, Mr. MacPete, I said I was going to come
3 back to this. That's another classic issue that arises
4 sometimes in Chapter 11 that ultimately begs for a Trustee.
5 A Trustee can decide to waive that the attorney/client
6 privilege. And we trust him as an independent fiduciary to
7 make those judgment calls. You know, it's about the
8 creditors now. I ain't hiding anything. I'll just waive the
9 privilege. And when we have a Chapter 11 officer who wants
10 to assert the attorney/client privilege or does not want to
11 free up his lawyers from speaking candidly, it just invites
12 the prospect of a Trustee who will frankly waive it in a
13 heartbeat to protect the interest of the economic
14 stakeholders.

15 So the Court is going to issue a show cause order on
16 whether a Chapter 11 Trustee should be appointed. Just so
17 Mr. Baron understands, if that happens, it will be the new he
18 or she, the new Chapter 11 Trustee would be the new officer
19 in charge of Ondova. Would get control of whatever assets
20 Ondova has an interest in. Would get the cash. Would get
21 the contracts. Would get control of the litigation. And I'm
22 telling you, that seems like it might be the right solution
23 here. But, again, I'm going to give you some due process.

24 I think I have the authority under the second sentence
25 of Section 105 of the Bankruptcy Code to do it sua sponte

EXHIBIT 36

ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

Henry H. C. Gammie
United States Bankruptcy Judge

Signed September 2, 2009

THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: §
§
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ-11,
§
Debtor. §

ORDER FOR DEBTOR TO APPEAR
AND SHOW CAUSE WHY: (A) A CHAPTER 11 TRUSTEE SHOULD NOT BE
APPOINTED, OR ALTERNATIVELY, (B) THE CASE SHOULD NOT BE CONVERTED
TO A CASE UNDER CHAPTER 7 AND A CHAPTER 7 TRUSTEE APPOINTED

On August 26, 2009, and again on September 1, 2009, this court held hearings on the Debtor's Emergency Motion Asserting: (i) No Perfected Lien on Debtor's Cash or Accounts; and (ii) Ability to Utilize Such Property of the Estate [DE # 10] (hereinafter, the "Section 363 Cash Usage Motion"). It soon became apparent to the court that Ondova Limited Company ("Ondova" or the "Debtor") was seeking (through a motion, rather

than through an *adversary proceeding*) a ruling that: (a) the cash held by the Debtor in a debtor-in-possession bank account (over \$461,000), (b) any cash that the Debtor might receive henceforth during the case (from revenue from the registration and/or renewal of domain names, and/or from monetization companies, and/or from other sources), and (c) possibly other cash that may have been transferred prepetition by the Debtor to certain of its attorneys was all "property of the bankruptcy estate" (11 U.S.C. § 541), unencumbered by any lien, claim or interests of third parties. Noting the procedural problem with this (*i.e.*, the court's inability to make a declaratory judgment without an adversary proceeding, where all parties-in-interest have been named as defendants and served with a complaint, summons, and given a chance to answer, take discovery and have an evidentiary trial on reasonable notice; see Bankr. Rule 7001)—and at the same time recognizing that the Debtor may have a genuine and urgent need to use cash—the court indicated that it would treat the Section 363 Cash Usage Motion as, essentially, a "typical cash collateral motion," pursuant to which the Debtor could put on evidence of such relevant things as: (a) what cash the Debtor had on hand now and expected to receive in the near-term; (b) how such cash was and would be derived; (c) what the

Debtor's budgeted expenses and other cash needs were expected to be during the next few weeks of the Chapter 11 case; (d) the reasonableness and necessity of the Debtor's budgeted expenses (which would entail evidence regarding what the Debtor was doing; what the Debtor's business model was at this juncture; how many employees and how much overhead the Debtor has); and (e) what the Debtor would offer as "adequate protection" (11 U.S.C. §§ 361 & 363) to parties who might have an interest in the cash. The court would also let objecting parties who claim an interest in the Debtor's cash (NetSphere, Inc. and lawyers Mr. Rasansky and Ms. Aldous) put on evidence concerning their alleged interests in the cash that might be entitled to "adequate protection." See 11 U.S.C. § 363(p).

During the hearings on the Section 363 Cash Usage Motion, which still have not concluded (the court setting the next hearing on the Section 363 Cash Usage Motion for September 11, 2009 at 9:30 a.m.), the court became concerned about whether it is appropriate to allow Ondova to remain on as a debtor-in-possession in this bankruptcy case. Among the things driving this concern are the following. First, the hearing on September 1, 2009 began with an attempt by the Debtor to terminate its bankruptcy counsel and seek a continuance of the hearing on the

Section 363 Cash Usage Motion (in light of a desire to retain new bankruptcy counsel). The court noted that it was especially troubled with this development—given that the Debtor has a long prepetition history of playing “musical lawyers” in litigation with NetSphere, Inc. Second, the court has been troubled at both the August 26, 2009 and September 1, 2009 hearings, with: (a) an apparent lack of forthcomingness on the part of the Debtor’s principal, Mr. Barron; (b) an inability on Mr. Barron’s part to concisely answer straightforward questions about the Debtor’s business; and (c) the assertion of the attorney-client privilege by the Debtor in situations where such an assertion may not be consistent with the fiduciary duties of a debtor-in-possession (*i.e.*, in situations where, surely, a Bankruptcy Trustee would see fit to waive the privilege in the interests of creditors and in the interests of the efficient administration of the bankruptcy estate). The court also perceives that the goal of Ondova in this Chapter 11 case (while under the direction of Mr. Barron and the current management team) may not be centered around reorganizing a viable company (or providing a soft landing to a financially-stressed company), for the benefit of creditors and other parties-in-interest, but more geared toward protecting the personal interests of Mr. Barron and his affiliates, and/or

attempting to relitigate issues already decided or settled in other fora. Finally, the court is concerned about complex, prepetition transactions among various companies in which Mr. Barron has some interest or control, which transactions may affect the Debtor (and the value available/reachable for creditors), that need investigating by an independent fiduciary.

The court, therefore, has decided to issue this show cause order, pursuant to 11 U.S.C. § 105, setting a hearing to hear evidence and argument on whether Ondova should continue on as a debtor-in-possession. Accordingly, based upon the foregoing, it is hereby

ORDERED that **Ondova and Jeff Barron (and their counsel)** shall appear before this court on **Friday, September 11, 2009, at 9:30 a.m., for a hearing, and show cause at such hearing why a Chapter 11 Trustee should not be appointed in Ondova's case or, alternatively, the case should not be converted to a case under Chapter 7 and a Chapter 7 Trustee appointed.** Other parties-in-interest may attend and present evidence and argument.

###END OF ORDER###

EXHIBIT 37

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) BK. NO: 09-34784-SGJ-11
)
ONDOVA LIMITED COMPANY)
D E B T O R)

* * * * *

TRANSCRIPT OF PROCEEDINGS

* * * * *

BE IT REMEMBERED, that on the 11th day of
September, 2009, before the HONORABLE STACEY G. JERNIGAN,
United States Bankruptcy Judge at Dallas, Texas, the above
styled and numbered cause came on for hearing, and the
following constitutes the transcript of such proceedings as
hereinafter set forth:

1 appoint a specific Chapter 11 Trustee over this case. That
2 Chapter 11 Trustee can decide if conversion to Chapter 7
3 makes sense and maybe he will if, in fact, there is not much
4 of an operating company at this juncture. But the Court
5 believes that for now we should keep it in Chapter 11, to the
6 extent a Trustee would need authority to take certain actions
7 to maintain business operations and contracts for now to
8 preserve value in the entity.

9 The Court believes there is cause under Section 1104,
10 the applicable statute, for appointment of a Chapter 11
11 Trustee; including the mismanagement of the affairs of this
12 estate by the debtor in possession while under the direction
13 of Mr. Baron. And, also, cause being the lack of candor and
14 cooperation of Mr. Baron as a representative of the debtor in
15 possession.

16 The Court also finds that a Chapter 11 Trustee is in
17 the best interest of all creditors and parties in interest as
18 it brings to one central forum, under one captain, the
19 Chapter 11 Trustee, all issues as to what is property of the
20 estate, what are claims against the estate, and what causes
21 of action or possible avoidance actions might be pursued to
22 benefit people with claims against Ondova. As Mr. Keiffer
23 has alluded to, the Bankruptcy Code gives very powerful tools
24 to a Chapter 11 Trustee or a Chapter 7 Trustee, for that
25 matter, to herd into the estate any assets that rightfully

EXHIBIT 38

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) Case No. 09-34784-sgj11
) Chapter 11
)
ONDOVA LIMITED COMPANY,)
) Courtroom 1
) 1100 Commerce Street
Debtor.) Dallas, Texas 75242-1496
)
) April 7, 2010
) 10:00 A.M.

TRANSCRIPT OF APPLICATION TO EMPLOY
LAIN FAULKNER & CO., P.C. (DOCKET 245).
MOTION FOR 2004 EXAMINATIONS (DOCKETS 272, 273, 274, 275).
BEFORE HONORABLE JUDGE STACEY G. C. JERNIGAN
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For Daniel J. Sherman, Munsch, Hardt Kopf & Harr PC
Chapter 11 Trustee: By: RAYMOND J. URBANIK, ESQ.
500 North Akard Street, Suite 3800
Dallas, TX 75201-6659

For Netsphere: Franklin Skierski Lovall Hayward, LLP
By: MELISSA HAYWARD, ESQ.
10501 N. Central Express, Suite 106
Dallas, Texas 75231

Locke Lord Bissell Liddell
By: JOHN MacPETE, ESQ.
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201

ECRO: **Jennifer A. Womack**

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produced by transcription service..

1 to go forward. And then maybe we can pick up settlement some
2 other time when he's more serious about actually reaching an
3 agreement.

4 THE COURT: All right. Here's how the Court is going
5 to rule. The Court is going to grant all of these motions to
6 take 2004 examinations. But the Court is going to order that
7 the examinations not occur before April 30th, and shall occur
8 no later than May 15th.

9 First, under Rule 2004, I think these examinations
10 are warranted. There's good cause. This clearly relates to
11 the administration of the estate, and potentially money or
12 property that could be acquired by the debtor in the case, or
13 for formulation of a plan.

14 The Court is going to call you back for a status
15 conference regarding all of the 2004 motions, these and the
16 others that are out there that have not taken place. And we're
17 going to have a specific -- if there's not a settlement, and
18 2004 exams have not otherwise occurred by mutual agreement by
19 April 30th, we're going to set up a very vigorous schedule
20 between April 30th and May 15th to get it all done.

21 If I have to make space available here at the
22 courthouse in a conference room with a U.S. Marshal babysitting
23 the process, I will. And I say that mostly for Mr. Baron's
24 sake. That's what I'm inclined to do at that point. If on
25 April 30th, we don't have a settlement, and we haven't

1 otherwise had examinations of Mr. Baron and material progress,
2 I'm inclined to set up his deposition, or order it to occur
3 here in a conference room with a U.S. Marshal standing by ready
4 to intervene as necessary.

5 This is very, very frustrating. And I know that
6 everyone pretty much shares my frustration. But I'm frustrated
7 that Mr. Baron is an obstacle here, and maybe nothing short of
8 testifying and facing a holding cell if he doesn't cooperate
9 and testify is going to get him to budge in this.

10 I'm also concerned about lawyers and -- nondebtor
11 parties and lawyers worried more about their own personal
12 exposure and liability in this. And this estate just doesn't
13 have time for that anymore.

14 So, again, if we don't have resolution by the 30th,
15 maybe it's time to just, one-by-one, have these depositions.
16 Let everyone start airing their dirty laundry. And if we have
17 to go to DEFCON 3, or whatever that expression is, at that
18 point, we will.

19 But, again, agreed orders are fine with regard to
20 going ahead and doing a deposition on April 21st, or 16th, or
21 whatever. But if we show up here at the status conference on
22 the 30th, and we don't have a settlement, and we don't have any
23 2004 exams having taken place by then by agreement, we're going
24 to set them all up the first two weeks of May. Everybody's.
25 Not just these Diamond Key, Manassas, Taylor, and Sheridan.

EXHIBIT 39

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

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IN RE:) BK. NO: 09-34784-SGJ-11
)
ONDOVA LIMITED COMPANY)
D E B T O R)

* * * * *

TRANSCRIPT OF PROCEEDINGS

* * * * *

BE IT REMEMBERED, that on the 12th day of July,
2010, before the HONORABLE STACEY G. JERNIGAN, United States
Bankruptcy Judge at Dallas, Texas, the above styled and
numbered cause came on for hearing, and the following
constitutes the transcript of such proceedings as hereinafter
set forth:

1 have him in place. The issue of Taube's firm's attorney's
2 fees, or the Village Trust attorney's fees for June and July,
3 whether they are or are not capped at \$100,000. And the
4 issue of the 10 to 12,000 domain names that have trademark
5 issues that we may or may not be able to find a privacy
6 service for. Plus the wordsmithing of paragraph (6)(c).

7 Are you agreeing to be bound by this settlement
8 agreement?

9 MR. BARON: As long as the version we're
10 talking about is the version that we all agree to, plus these
11 changes, yes. I just want to make sure there haven't been
12 other things snuck in, if you will. But if nothing has been
13 snuck in, then there's not a problem.

14 THE COURT: Wait. What do you mean by that,
15 Snuck in? To the version on June 22nd?

16 MR. BARON: Right.

17 THE COURT: But you have had ten days to read
18 that and you have two attorneys involved.

19 MR. BARON: There was one -- I'm just trying
20 to think about it as you're asking me.

21 THE COURT: Okay. I -- I'm beyond frustrated.
22 And I'm thinking about my contempt powers right now. That's
23 how frustrated I am. And ask your attorney during the break
24 what I mean by that, if you don't understand.

25 When did the topic of resignation of the Trustee and

1 Mr. Baron is receiving about a \$75,000 gift because the fees
2 are actually \$250,000 that we are reducing to \$175,000. So
3 the Court would not have to hear all of the testimony --

4 THE COURT: Okay. We're done. We're done. I
5 told you what I was prepared to do before lunch. That I
6 thought you had more or less capped yourself at \$100,000,
7 subject to some fudge room. Okay. You are wasting this
8 Court's time. You're wasting everybody's time. So are you,
9 Mr. Baron.

10 All right. We're done here. Here's what we're going
11 to do.

12 MR. PRONSKE: Your Honor, may I have just 30
13 seconds with Mr. Baron? May I approach?

14 THE COURT: You may.

15 MR. PRONSKE: Your Honor, I'm going to reduce
16 my fee to Mr. Baron by \$12,000, which is the amount of that,
17 so we'll agree to pay it.

18 THE COURT: All right. So what does that
19 mean?

20 MR. PRONSKE: It means we have an agreement to
21 pay it.

22 THE COURT: You know what, I am tired of these
23 short explanations that end up getting bogged down and then
24 we don't have a deal in three days. Let's be explicit on the
25 record of what the deal is.

EXHIBIT 40

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: : CASE NO. 09-34784
ONDOVA LIMITED COMPANY : Chapter 11
:
:

.....

Transcript of proceeding regarding
Status Conference, Motion to Withdraw as Attorney
Before the Honorable Stacey G. C. Jernigan
United States Bankruptcy Judge

15 SEPTEMBER 2010

Transcribed by: Richard Simpson
1120 Hallmark Dr.
Shreveport, LA 71118
318-688-1860

Proceedings recorded by electronic sound recording FTR;
transcript produced by transcription service.

1 we'll go into these attorney issues.

2 But I'll just give you a little preview. I am more than a
3 little concerned about the "musical attorneys." And if anyone
4 thinks that anything is going to happen to this settlement
5 agreement at this point, think again. I'll hear what you say,
6 Mr. Urbanik, but no one is going to get out of this settlement
7 agreement. And I cannot figure out why, for the life of me, we
8 have the "musical lawyers" going on, but it's going to stop
9 today. And we will discuss details of how and why it's going
10 to stop.

11 All right. Mr. Urbanik?

12 MR. URBANIK: Thank you, Your Honor. We appreciate
13 your remarks because that is the trustee's concern. The
14 settlement agreement has been progressing well until, I'd say a
15 few days ago, maybe a week ago when some issues became more --
16 issues became -- we became aware of.

17 Settlement agreement is at a very delicate place right
18 now. And our goal is to get this settlement consummated. And
19 whatever it takes, we are going to try to get this settlement
20 consummated.

21 THE COURT: It's going to be. It's going to be.

22 MR. URBANIK: The Court approved this settlement on
23 July 28. And right after that date, we began working with
24 parties. And for the most part, Your Honor, there was
25 cooperation among the parties, including the Manila, Netsphere

1 These three item -- the two items that need addressed need
2 to be addressed very, very promptly. Mr. Baron has a history
3 of changing lawyers to delay and disrupt. It's un-, un-, you
4 know, -contested. It's a demonstrated history. We can go
5 through the names, we can talk to Judge Furgeson, Judge
6 Hoffman, all the lawyers in this room --

7 THE COURT: I know. There are no more lawyers going
8 to be allowed. The question is: Whether any are going to be
9 released; is he going to be pro se; or is he going to have
10 lawyers? Or, you know, I am even noodling 28 U.S.C. Section
11 754 and 1692.

12 MR. URBANIK: Well, Your Honor, this demonstrated --

13 THE COURT: You know what I am talking about?

14 MR. URBANIK: I would need to get the Code.

15 THE COURT: No. Does anyone know what I'm talking
16 about?

17 UNIDENTIFIED SPEAKER: No.

18 THE COURT: That's the federal receiver statute.

19 MR. URBANIK: I understand.

20 THE COURT: I'm thinking of making a Report &
21 Recommendation to Judge Furgeson, maybe he just appoints a
22 receiver over Mr. Baron and his assets and let that receiver
23 implement the settlement agreement.

24 MR. URBANIK: Well, Your Honor, we --

25 THE COURT: Less extraordinary situations have

1 trying to delay getting that resolved. And that was the
2 impetus for filing the lawsuit today. Mr. Pronske said he
3 wanted to go to state court. We took it to state court.
4 Within about two hours, it was back in this court.

5 We're happy to let anyone -- Mr. Baron is happy to let
6 anybody reasonably consider that as long as his rights on that
7 issue are preserved.

8 And I'm a little surprised at the removal. But we're
9 happy to talk about all those issues. And there's plenty of
10 mechanisms here I believe that Mr. Baron will agree to, to
11 protect Mr. Pronske and others and to see that this settlement
12 is implemented. That was the -- when it started developing
13 further, then he started turning to me on the settlement issue.
14 And I'm not, I'm not familiar with that, although in all
15 honesty, I don't hear a lot of major issues still out there to
16 be done, so I don't know why a new lawyer can't resolve that.
17 I certainly understand the Court's concern that there be no
18 delay. And Mr. Baron will agree that any new counsel will not
19 be for the purpose of delay and there will be no delay related
20 to it.

21 And I say, Your Honor, I am not a disruptive lawyer. If
22 he were coming to hire a disruptive lawyer, it wouldn't have
23 been me. I think you know that.

24 THE COURT: I know you're not, Mr. Thomas. And I
25 don't mean any disrespect to you. But there is zero chance Mr.

1 Baron is getting a new lawyer. Zero. Zero. Okay?

2 40-something lawyers. 40-something lawyers.

3 MR. THOMAS: Even, Your Honor, for the end game, the
4 plan, et cetera, he needs representation. Mr. Pronske is gone.

5 THE COURT: He's had very able representation.

6 MR. THOMAS: I don't disagree with that.

7 THE COURT: Like I said, right now --

8 MR. THOMAS: I understand that.

9 THE COURT: -- he either keeps who he's got, he goes
10 it pro se, or maybe I recommend that a receiver be appointed if
11 I don't have confidence that he can do what he is required to
12 do pro se.

13 MR. THOMAS: Again, I just urge one more time that
14 you allow him to retain me for that purpose and to assist any
15 other lawyers that are on the case already.

16 THE COURT: Okay.

17 MR. THOMAS: Thank you, Your Honor.

18 THE COURT: All right. Mr. Broome, how much have you
19 been paid?

20 MR. BROOME: Your Honor, I have been retained on an
21 hourly rate, and there has been a retainer placed with my firm
22 in the amount of \$4,000.

23 If I could just very quickly address a couple of the
24 things that Mr. Pronske said. And that's my role here as a
25 very limited --

1 Trust. Curan Wagstaff. Kevin Demoore. Lackey Hershman. Law
2 offices of Dennitt West & LeJune. Law Offices of Graham
3 Taylor. Law Offices of Rajiv Jain. Mateer & Shaffer. Ness
4 Motly. Newman & Newman. Owens, Clary, Akin. Reed Smith, L.P.
5 Ronnie Palter. Rowe, Gotham & Associates. Thompson & Knight.
6 And apparently I've left off some, because that's 30-something.

7 You know, is it Rule 11 sanctionable? Is it gamesmanship?
8 Is it obvious improper purpose to delay? Or is it Texas Penal
9 Code theft of services?

10 You know, I am just so troubled for so many reasons. But
11 these are the things that are going through my mind during this
12 5-minute break. Baron can go forward with who he has with us
13 putting mechanisms in place to make sure those attorneys get
14 paid. He can go forward pro se, in which case I'm likely to
15 suggest Judge Furgeson appoint a receiver. I may order that a
16 big chunk of money be put in the registry of the court. But I
17 am going to do what I feel needs to be done to get this
18 settlement agreement implemented.

19 And so, Mr. Lyons, I'll let you kind of talk that over
20 with Mr. Baron during a 5-minute break. And then we'll come
21 back and hear testimony --

22 MR. TAUBE: Your Honor, I apologize for interrupting
23 the Court. I just wanted to make sure that I clarified. I may
24 have misled the Court. In terms of the actual assets that Bill
25 through up to The Village Trust, it is my understanding it

EXHIBIT 41

ENTERED

THE DATE OF ENTRY IS
ON THE COURTS DOCKET
TAWANA C. MARSHALL, CLERK

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:

ONDOVA LIMITED COMPANY,
DEBTOR.

§
§
§ Case No. 09-34784-SGJ-11
§
§

NETSPHERE, INC., ET AL.,
PLAINTIFFS,

VS.

§ Civil Action No. 3-09CV0988-F
§
§

JEFFREY BARON, ET AL.,
DEFENDANTS.

REPORT AND RECOMMENDATION TO DISTRICT COURT

(JUDGE ROYAL FURGESON):

THAT PETER VOGEL, SPECIAL MASTER, BE
AUTHORIZED AND DIRECTED TO MEDIATE ATTORNEYS FEES ISSUES

The undersigned bankruptcy judge makes this Report and Recommendation to the Honorable Royal Furgeson, who presides over litigation related to the above-referenced bankruptcy case styled *Netsphere v. Baron*, Case # 3-09CV0988-F (the "District Court Litigation"). The purpose of this submission is: (a) to report the status of certain matters pending before the bankruptcy court, that are related to the District Court Litigation; and (b)

to recommend that His Honor appoint Peter Vogel, Special Master in the District Court Litigation, to mediate issues relative to attorneys fees that are further described below.

I. BACKGROUND.

The bankruptcy court has held four status conferences in recent weeks in connection with the above-referenced bankruptcy case (on September 15, 22, and 30, 2010 and October 8, 2010). The bankruptcy court has heard reports and evidence at each status conference regarding the extent to which the so-called "Global Settlement Agreement" has been consummated. The "Global Settlement Agreement" refers to the Mutual Settlement and Release Agreement approved by the bankruptcy court on July 28, 2010 [see Order at Docket No. 394]¹, involving, among other things: (a) dozens of parties, but primarily the Ondova bankruptcy estate (through Chapter 11 Trustee, Daniel Sherman), Jeffrey Baron, the Manilla/NetSphere parties, the Village Trust, the MMSK Trust, and various United States Virgin Island entities; (b) a split of a portfolio of internet domain names; (c) certain payments to the Ondova bankruptcy estate by Manilla/NetSphere and the Village Trust; (d) the settlement of more than a half-dozen lawsuits involving Ondova and/or Jeffrey Baron; and (e) a broad release of claims. While the bankruptcy court has heard positive statements

¹ All docket number references herein refer to the docket entry numbers on the PACER/ECF docket maintained in the *In re Ondova Limited Company* ("Ondova") bankruptcy case (Case No. 09-34784-sgj-11).

from the Chapter 11 Trustee indicating that there has been substantial consummation of the Global Settlement Agreement (i.e., payment of more than one million dollars of settlement funds to the Ondova bankruptcy estate by Manilla/NetSphere; payment of certain additional settlement funds to the Ondova bankruptcy estate from the Village Trust; dismissals of all lawsuits except for the District Court Litigation;² appointment of a successor Trustee and Protector over the Village Trust; steps toward transferring the so-called "Odd Names Portfolio" portion of the internet domain names to a new Registrar away from Ondova), the bankruptcy court has had lingering concerns at each of the status conferences regarding Jeffrey Baron's commitment to completing his obligations under the Global Settlement Agreement, and possibly taking actions to frustrate the Global Settlement Agreement. Part of the bankruptcy court's concerns in this regard have been fueled by the fact that Jeffrey Baron has continued to hire and fire lawyers for himself and certain entities that are parties to the Global Settlement Agreement (e.g., Quantec), and has instructed such lawyers to file pleadings—even after entry into the Global Settlement Agreement—

² The District Court Litigation, as well as the bankruptcy case of Ondova, remain open, so that there will be fora in which the parties can seek relief to enforce or interpret the Global Settlement Agreement. Additionally, there is remaining case administration needed in the Ondova bankruptcy case (namely, resolution and payment of claims—now that there are funds to pay creditors).

as though the matters resolved in the Global Settlement Agreement are far from over.

But the concern over the hiring-and-firing of lawyers is even more problematic than what the bankruptcy court mentions above. The bankruptcy court has had a growing concern that Jeffrey Baron's actions *may be exposing the Ondova bankruptcy estate to possible administrative expense claims* for amounts owed to attorneys that *Jeffrey Baron should pay or entities with which he is connected (Quantec, Village Trust, etc.) should rightfully pay*. To further explain, the court summarizes below some of what has occurred before and after the Global Settlement Agreement was reached.

II. THE CAVALCADE OF ATTORNEYS.

When Jeffrey Baron started hiring and firing lawyers shortly after the Global Settlement Agreement was reached, the bankruptcy court took judicial notice (at a September 15, 2010 status conference) that Jeffrey Baron and Ondova have had *dozens of sets of lawyers* in the past four years, since the litigation with Manilla/NetSphere and other parties commenced. At least the following lawyers have served as former counsel to Ondova and/or Jeffrey Baron in the litigation with Manilla/NetSphere that started in the state district court in Dallas County (before the next phase of litigation between the parties started in the District Court Litigation): (i) Mateer & Schaffer; (ii)

Carrington Coleman Sloman & Blumenthal; (iii) Bickel & Brewer; (iv) The Beckham Group; (v) The Aldous Law Firm; (vi) The Rasansky Law Firm; (vii) Fee Smith Sharp & Vitullo; and (viii) Friedman & Feiger.

Additionally, far more than a dozen attorneys' names were listed in Ondova's Bankruptcy Schedules (Schedule F—the list of pre-bankruptcy unsecured creditors of Ondova) as being owed significant sums of money by Ondova (not the least of which was the Carrington Coleman law firm, that filed a claim for \$224,233.27, and Bickel & Brewer which is scheduled as being owed \$42,500).

Fast forwarding to the post-bankruptcy time period, at least the following lawyers have become engaged by Jeff Baron or entities he directs (or is the ultimate owner/beneficiary of) *since* the Ondova bankruptcy case was filed: (i) Paul Keiffer (Wright, Ginsburg & Brusilow) for Ondova;³ (ii) Gerrit Pronske (Pronske & Patel) for Jeffrey Baron individually;⁴ (iii) Steven

³ Mr. Keiffer and his firm filed an application to be employed by Ondova on July 29, 2009 [Doc. No. 5], which application was granted by this court [Doc. No. 57]. Then, Mr. Keiffer moved to withdraw just a month-and-a-half later, on September 11, 2009 [Doc. No. 83], which the court granted on October 1, 2009 [Doc. No. 108].

⁴ Pronske & Patel moved to withdraw from representing Jeffrey Baron on September 7, 2010, after representing Mr. Baron for many months in the bankruptcy case [Doc. No. 419], citing nonpayment of more than \$200,000 of fees during the Ondova bankruptcy case, conflicts of interest—as Jeffrey Baron has now sued them—and also a concern that Jeffrey Baron may be engaging in fraudulent transfers. This request to withdraw was granted by the bankruptcy court [Doc. No. 449].

Jones for Jeffrey Baron individually;⁵ (iv) Gary Lyon for Jeffrey Baron individually;⁶ (v) Dean Ferguson for Jeffrey Baron individually;⁷ (vi) Martin Thomas for Jeffrey Baron individually;⁸ (vii) Stanley Broome for Jeffrey Baron individually;⁹ and (viii) James Eckles for Quantec.¹⁰ Several

⁵ Mr. Jones made a brief cameo appearance as criminal counsel to Mr. Baron during the Ondova bankruptcy case on September 11 and 28, 2009.

⁶ Attorney Gary Lyon, who has been representing Jeffrey Baron individually for many months in the bankruptcy court and District Court, recently requested to have attorney Martin Thomas substituted in his place or approved as co-counsel with him [see, e.g., Doc. No. 458]. For the first time, Mr. Lyon announced in September 2010 that he is only admitted to practice law in the State of Oklahoma, although admitted in the courts in the Northern District of Texas, and Mr. Lyon felt this was an ethical problem unless he associated with co-counsel (here, suggesting Martin Thomas).

⁷ Dean Ferguson appeared for Jeffrey Baron individually at one hearing in the Ondova bankruptcy case (on September 15, 2010) and said he had been representing Jeffrey Baron for some time in connection with out-of-court negotiations relating to the Ondova bankruptcy case, but he would not be seeking to go forward because of non-payment of fees.

⁸ Attorney Martin Thomas (who has newly filed a notice of appearance in the bankruptcy case) [Doc. No. 37, filed on September 14, 2010] seeks to be primary counsel now to Jeffrey Baron individually. The court signed an order on October 12, 2010 allowing Martin Thomas to represent Mr. Baron (with Gary Lyon) in the bankruptcy case.

⁹ Attorney Stanley Broome (who has newly sued Pronske & Patel for Jeffrey Baron in September 2010) has filed a notice of appearance for Jeffrey Baron in the bankruptcy case [Doc. No. 438, filed September 15, 2010].

¹⁰ Attorney James Eckles filed a notice of appearance for Quantec, LLC on September 21, 2010 [Doc. No. 450]. He has already filed a request that the court interpret part of the Global Settlement Agreement in a way that the court found unsupportable. His request was stricken. It appears to the bankruptcy court that Mr. Eckles is acting primarily for Mr. Baron, individually. He admitted that he had

lawyers have appeared for the Virgin Island entities of which Jeffrey Baron is the beneficiary including (i) Eric Taube (Hohmann, Taube & Summers), (ii) Hitchcock Everitt LLP, (iii) Craig Capua (West & Associates, LLP), and (iv) Shririg Jete Becket Tackett.

Jeffrey Baron's habit of hiring and then firing lawyers, in many cases after they have incurred significant fees on his or Ondova's behalf (or on behalf of other entities he controls or is beneficiary of), has grown to a level that is more than a little disturbing. As the court noted in court on September 15, 2010, at the very least, it smacks of the possibility of violating Rule 11 (*i.e.*, it suggests a pattern of perhaps being motivated by an improper purpose, such as to harass, cause delay, or needlessly increase the cost of litigation for other parties). Still more troubling is the possibility to the court that Jeffrey Baron may be engaging in the crime of theft of services. See Texas Penal Code §§ 31.01(6) & 31.04 ("A person commits theft of service if, with intent to avoid payment for service that he knows is provided only for compensation: (1) he intentionally or knowingly secures performance of the service by deception, threat, or false token"; "services" includes "professional services"). This crime can be a misdemeanor or a felony—depending on the amount involved. If Jeffrey Baron is constantly engaging lawyers

represented Mr. Baron individually in another matter.

without ever intending to pay them the full amounts that they charge, and then terminating them when they demand payment, this court is troubled that there are possibly criminal implications for Jeffrey Baron.

The bankruptcy court has announced that it will not allow this pattern to occur any further in these proceedings, and Jeffrey Baron will not be allowed to hire any additional attorneys. Mr. Baron has been told that he can either retain Gary Lyon and Martin Thomas through the end of the bankruptcy case (which this court does not expect to last much longer) or he can proceed *pro se*. The bankruptcy court has further warned Mr. Baron that if he chooses to proceed *pro se* and does not cooperate in connection with final consummation of the Global Settlement Agreement, he can expect this court to recommend to His Honor that he appoint a receiver over Mr. Baron, pursuant to 28 U.S.C. §§ 754 & 1692, to seize Mr. Baron's assets and perform the obligations of Jeffrey Baron under the Global Settlement Agreement.¹¹

III. RECOMMENDATION.

As alluded to above, the bankruptcy court's concerns over the above hiring and firing of lawyers by Mr. Baron is multi-faceted (e.g., Rule 11 implications; frustration of the Global

¹¹ The bankruptcy court is concerned that it would not have the power to appoint a receiver over Mr. Baron, due to language in section 105(b) of the Bankruptcy Code.

Settlement Agreement; possible criminal theft of services, etc.). But, at this juncture, the bankruptcy court is perhaps most concerned about the risk that the bankruptcy estate has and will be exposed to administrative expense claims as a result of Mr. Baron's behavior (e.g., claims occurring during the post-bankruptcy time period, with regard to which payment may be sought from the Ondova bankruptcy estate, and which claims would "prime" pre-bankruptcy unsecured claims). For example, the Pronske & Patel law firm has taken the position that they are owed and have not been paid approximately \$200,000 incurred representing Mr. Baron. Pronske & Patel may seek a "substantial contribution" administrative expense claim against the Ondova bankruptcy estate (see 11 U.S.C. §503(b)(3)(D) & (4), which contemplate that an administrative expense claim may be allowed for a creditor or professional for a creditor who makes a "substantial contribution" in a case under chapter 9 or 11 of this title). Pronske & Patel have already filed a counterclaim against Mr. Baron in an adversary proceeding Mr. Baron has filed against them. Similarly, certain law firms who have represented the Virgin Island entities of which Jeffrey Baron is the beneficiary (specifically, Hohmann, Taube & Summers, Hitchcock Everitt LLP, West & Associates, LLP, and Shririg Jete Becket Tackett) have filed a Motion for Allowance of Attorneys Fees Pursuant to the Supplemental Settlement Agreement in the Ondova

bankruptcy case [Doc. No. 452, on September 21, 2010], which represents that they have incurred approximately \$150,000 in fees, after the execution of the Global Settlement Agreement, as a result of status conferences and Show Cause hearings involving Mr. Baron and his entities and that there are specific provisions of certain settlement documents that may permit them to seek a court order allowing these to be paid. If the Ondova bankruptcy estate is imposed with administrative expense claims from these or other attorneys (the risk of which appears to be genuine), then it should be entitled to a claim for reimbursement against Mr. Baron or the entity that incurred the fees. It was because of this risk—and also because of the risk that the bankruptcy court believed it might ultimately find Jeffrey Baron in contempt of the bankruptcy court's order approving the Global Settlement Agreement—that the court ordered on September 16, 2010 [Doc. No. 441] that the Village Trust be instructed by Jeffrey Baron to immediately remit \$330,000 to the Ondova Bankruptcy Trustee as a "security deposit" against these risks. Bankruptcy Trustee Daniel Sherman currently holds this \$330,000 of funds, pending further orders of the court.

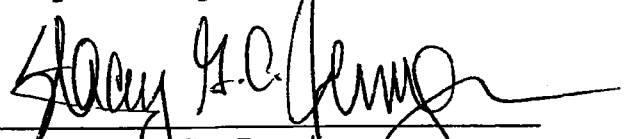
The bankruptcy court now recommends that His Honor appoint his Special Master, Peter Vogel, to conduct a global mediation among Daniel Sherman, Jeffrey Baron, and the various attorneys who may make a claim to this \$330,000 of funds or otherwise may

assert an administrative expense claim against the Ondova bankruptcy estate, in respect of attorneys fees they incurred postpetition for services provided to Jeffrey Baron or entities he controls or is the beneficiary of, and which services may have provided a substantial contribution to the estate. This court has subject matter jurisdiction to make this recommendation, as there could conceivably be an impact on the Ondova bankruptcy estate, if attorneys who represented Jeffrey Baron and his related entities go unpaid and make "substantial contribution" claims against the bankruptcy estate. The bankruptcy court believes that some of these "substantial contribution" claims could be meritorious.

The bankruptcy court has been informed that Mr. Vogel agrees to perform a mediation and that he and Bankruptcy Trustee Sherman are prepared to recommend a format and structure for the mediation and for the participants. The bankruptcy court would defer to Mr. Vogel, Mr. Sherman, and His Honor with regard to the details of the mediation.

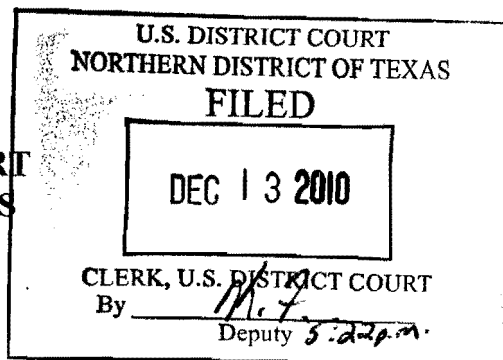
Dated: October 12, 2010

Respectfully submitted,



Stacey G. C. Jernigan
United States Bankruptcy Judge

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



NETSPHERE, INC., MANILA §
INDUSTRIES, INC., AND MUNISH §
KRISHAN, §
Plaintiffs, §
v. §
JEFFREY BARON AND ONDOVA §
LIMITED COMPANY, §
Defendants. §

Case No. 3:09-CV-988-F

**ORDER DENYING MOTION FOR EMERGENCY RULING ON MOTION TO
STAY PENDING APPEAL**

BEFORE THE COURT is Defendant Jeffrey Baron's Motion for Emergency Ruling on Motion to Stay Pending Appeal (Docket No. 157). After reviewing what is Mr. Baron's fourth Motion for Expedited Consideration of his Motion, the Court DENIES his Motion for Emergency Ruling on Motion to Stay Pending Appeal (Docket No. 157).

On November 24, 2010, the Court entered an Order Appointing Receiver in the above captioned case. *See* Docket No. 130. On December 3, 2010, Mr. Baron filed an Emergency Motion to Vacate Order Appointing Receiver and in the Alternative, Motion for Stay Pending Appeal. *See* Docket No. 137. Mr. Baron also filed a Motion for Emergency Consideration on Shortened Notice with Respect to Emergency Motion to Stay Pending Appeal the Court's November 24, 2010 Order Appointing Receiver and a Second Motion for Emergency Consideration. *See* Docket Nos. 138 and 141. The Court granted these Motions

for Emergency Consideration, accelerated the briefing schedule and setting the Motion to Vacate Order Appointing Receiver or in the Alternative Motion to Stay Pending Appeal for hearing on Friday, December 17, 2010 at 10:00 a.m.

On December 10, 2010, Mr. Baron filed his Waiver of Reply and Third Motion for Immediate Ruling on Motion to Vacate Receivership and Alternative Motion to Stay Pending Appeal. *See* Docket No. 144. The Court denied Mr. Baron's Third Motion to Expedite a Ruling on his Motion to Vacate or Stay on the grounds that in the Court's opinion full briefing and oral argument was necessary to decide the Emergency Motion. *See* Docket No. 149.

On December 13, 2010, Mr. Baron again filed a Motion for Emergency Ruling on Motion to Stay Pending Appeal. *See* Docket No. 157. Mr. Baron requests that in light of the Trustee's response to his Motion to Vacate the Order Appointing Receiver, Docket No. 151, which Mr. Baron refers to as "Mr. Urbanik's motion," the Court rule today on Mr. Baron's Motion to Stay. In this most recent Motion for Emergency Consideration, Mr. Baron argues that he "is in need of an attorney to file proper legal objections to the timing and form of the relief requested by Mr. Urbanik, to object to the standing of Mr. Urbanik to request such relief, as well as seek a more definite statement of the relief sought." Docket No. 157 at 1. The attorney currently representing Mr. Baron, Mr. Gary Schepps, who filed the instant motion, argues that "Mr. Baron needs experienced and specialized counsel to conduct discovery and prepare to defend the very serious new charges Mr. Urbanik brings in his

motion.” *Id.* at 2. Mr. Baron’s current counsel asserts that his representation of Mr. Baron is “limited to matters of appeal and does not cover defense of Mr. Urbanik’s newly raised claims, nor any other matter in the district court beyond staying the order appointing receiver pending appeal, or declaring that order void.” *Id.* Mr. Baron’s Motion for Emergency Ruling goes on to list matters that Mr. Urbanik’s “motion” seeks to determine. *Id.*

However, after reviewing Docket No. 151, the Trustee’s Response to Motion to Vacate or Stay Appointment of Receiver, it is clear that the only relief requested in the Trustee’s response is for the Court to deny Mr. Baron’s Motion to Vacate or Stay. The Trustee’s response does include a recitation of the facts that lead to the Court’s appointment of a Receiver in this case, but the Court does not view the Trustee’s response as a Motion seeking adjudication on anything other than the pending Motion to Stay or Vacate the Order Appointing a Receiver. Accordingly, this matter would fall within the scope of representation of Mr. Baron’s appellate counsel, Mr. Schepps, who states in the instant motion that his representation is limited to the appeal of the Order Appointing Receiver.¹


Therefore, because it is unnecessary for the Court to immediately stay the Order Appointing Receiver so that Mr. Baron can obtain another attorney to represent him in this

¹ The Fifth Circuit denied without prejudice Mr. Baron’s Motion for Stay of District Court’s November 24, 2010 Order Appointing Receiver filed by Mr. Schepps because this Court “is in the process of addressing this matter on an expedited basis.” *See Baron v. Ondova Limited Company*, No. 10-11202 (5th Cir. Dec. 8, 2010) (Docket No. 143 at 2). If appellate counsel is capable of representing Mr. Baron’s appeal to the Fifth Circuit on the same issue that is currently pending before this Court it stands to reason that he is qualified to represent Mr. Baron in this Court in the instant motion.

matter, Mr. Baron's Motion for Emergency Ruling on Motion to Stay Pending Appeal is DENIED. The Court will consider Mr. Baron's pending Emergency Motion to Vacate Order Appointing Receiver and in the Alternative, Motion for Stay Pending Appeal on **Friday, December 17, 2010 at 10:00 a.m.**

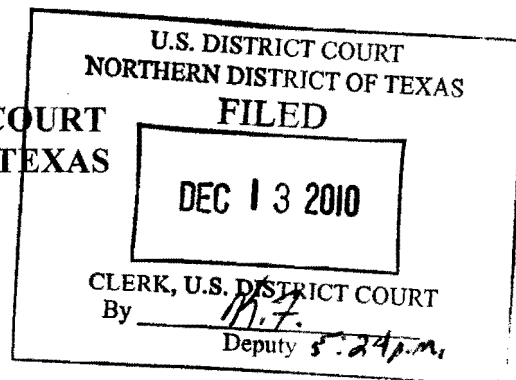
It is so Ordered.

Signed this 13th day of December, 2010.



Royal Ferguson
Senior United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



NETSPHERE, INC., §
MANILA INDUSTRIES., INC., AND §
MUNISH KRISHAN §

PLAINTIFFS, §

v. § CIVIL ACTION NO. 3:09-CV-0988-F

JEFFREY BARON AND §
ONDOVA LIMITED COMPANY, §
DEFENDANTS. §

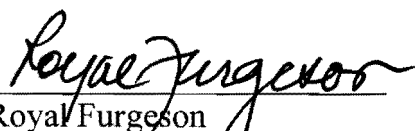
**ORDER GRANTING THE RECEIVER'S MOTION TO TERMINATE
AMENDED ORDER TO MEDIATE DISPUTES REGARDING
ATTORNEYS' FEES**

The Receiver Peter S. Vogel filed a Motion to Terminate Amended Order to Mediate Disputes Regarding Attorneys' Fees (Docket No. 148) and the Court hereby GRANTS that Motion.

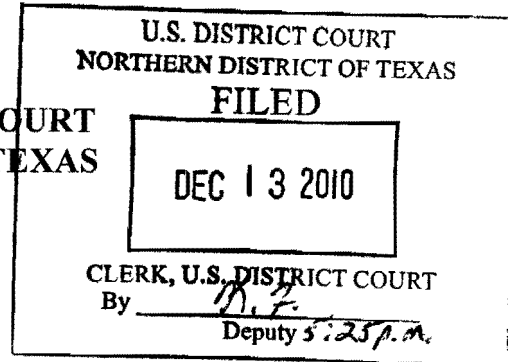
The Court's October 25, 2010 Amended Order to Mediate Disputes Regarding Attorneys Fees (Docket #122) is terminated and Peter S. Vogel is no longer authorized or directed to mediate, on behalf of the Court, claims against Jeffrey Baron for legal fees and related expenses.

It is so Ordered.

Signed this 10th day of December, 2010.


Royal Furgerson
Senior United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



NETSPHERE, INC.,
MANILA INDUSTRIES., INC., AND
MUNISH KRISHAN

PLAINTIFFS,

v.

JEFFREY BARON AND
ONDOVA LIMITED COMPANY,

DEFENDANTS.

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CIVIL ACTION NO. 3:09-CV-0988-F

**ORDER GRANTING THE RECEIVER'S MOTION TO TERMINATE
ORDER APPOINTING SPECIAL MASTER**

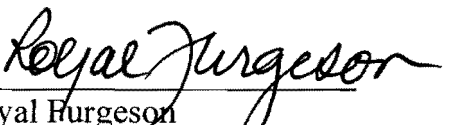
CAME ON TO BE HEARD, the Receiver Peter S. Vogel's Motion to Terminate Order Appointing Special Master (Docket No. 147).

The Court, having considered the Motion and the pleadings on file, is of the opinion the Motion is well-taken and should in all ways be GRANTED.

THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED that the Motion is GRANTED and that the Court's July 9, 2009 Order Appointing Master (Docket No. 37) is terminated and Peter S. Vogel is no longer Special Master in this case.

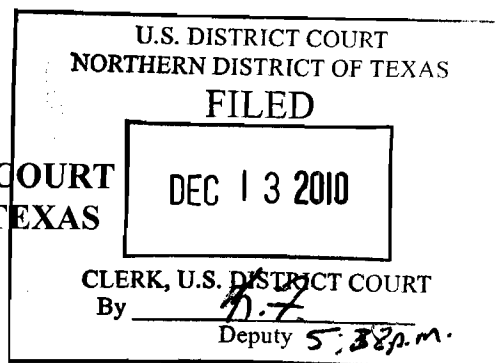
It is so Ordered.

Signed this 13th day of December, 2010.



Royal Hurgeson
Senior United States District Judge

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



NETSPHERE, INC., MANILA §
INDUSTRIES, INC., AND MUNISH §
KRISHAN, §
Plaintiffs, §
v. §
JEFFREY BARON AND ONDOVA §
LIMITED COMPANY, §
Defendants. §

Case No. 3:09-CV-988-F

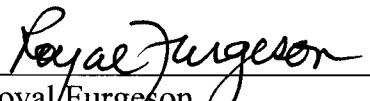
ORDER GRANTING MOTION TO QUASH SUBPOENA

BEFORE THE COURT is QUANTEC, L.L.C. and NOVO POINT, L.L.C. Objection to Subpoena & Motion to Quash Subpoena (Docket No. 155). The Court, having considered the Motion, is of the opinion the Motion should be GRANTED.

Accordingly, the subpoena is QUASHED pending further order of the Court; the accounts at issue shall be frozen as proposed by the Movants; and for purposes of information only counsel for the Movants are Ordered to be present at the hearing set for Friday, December 17, 2010 at 10:00 a.m.

It is so Ordered.

Signed this 13th day of December, 2010.


Royal Furgeson
Senior United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,
MANILA INDUSTRIES, INC., and
MUNISH KRISHAN,
Plaintiffs.

v.

JEFFREY BARON, and
ONDOVA LIMITED COMPANY,
Defendants.

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Civil Action No. 3-09CV0988-F

EXPEDITED RELIEF REQUIRED

EMERGENCY MOTION FOR CLARIFICATION OF COURT’S RULING
[DOC#161]

TO THE HONORABLE ROYAL FURGESON, U.S. DISTRICT COURT JUDGE:

COMES NOW, Jeffrey Baron, Appellant, and respectfully requests clarification of this Court’s Ruling with respect to the hearing set December 17, 2010, as to whether the hearing will be an evidentiary or non-evidentiary hearing.

In paragraph 4 of the response/motion filed by Mr. Urbanik last Friday [Doc. 151], and supported by the affidavit of Mr. Urbanik, this Court was requested to enter an order. The contents of that order, and accordingly, the relief requested, was not filed via PACER but was emailed by Mr. Urbanik separately. Key parts of the order prayed for were listed in Mr. Baron’s motion for emergency stay [Doc. 157].

If the hearing set on December 17th is an evidentiary hearing at which the facts, claims, legal rights, and other matters Mr. Urbanik has requested this Court

rule on will be decided, counsel for Mr. Baron will need to immediately conduct discovery in order to prepare for such a hearing.

In light of the fact that Mr. Baron has been deprived of both the funds to conduct such discovery, and the documents necessary to properly prepare for such a hearing (the receiver seized litigation and attorney-client documents from both Mr. Baron and the attorneys who had represented him), further action will be immediately required of appellate counsel.

If the hearing set for Friday, December 17, 2010 is a non-evidentiary hearing in which this Court desires to hear the argument of counsel relating to Mr. Baron's motion to stay pending appeal, there would be no need for discovery.

Accordingly, Mr. Baron respectfully requests this Court to clarify whether the hearing set for Friday, December 17, 2010 will be an evidentiary or non-evidentiary hearing. In order that counsel may proceed accordingly, a ruling today is requested.

Respectfully submitted,

/s/ Gary N. Schepps

Gary N. Schepps

State Bar No. 00791608

Drawer 670804

Dallas, Texas 75367

(214) 210-5940

(214) 347-4031 Facsimile

**APPELLATE COUNSEL FOR
JEFFREY BARON**

CERTIFICATE OF SERVICE

This is to certify that this was served on all parties who receive notification through the Court's electronic filing system.

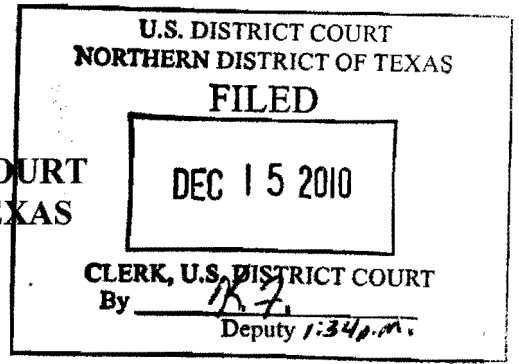
/s/ Gary N. Schepps _____
Gary N. Schepps

CERTIFICATE OF CONFERENCE

This is to certify that the undersigned conferred with Mr. Raymond J. Urbanik, attorney for DANIEL J. SHERMAN, Trustee for ONDOVA LIMITED COMPANY, and they opposed the motion.

/s/ Gary N. Schepps _____
Gary N. Schepps

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



NETSPHERE, INC., MANILA §
INDUSTRIES, INC., AND MUNISH §
KRISHAN, §
Plaintiffs, §
v. §
JEFFREY BARON AND ONDOVA §
LIMITED COMPANY, §
Defendants. §

Case No. 3:09-CV-988-F

ORDER GRANTING EMERGENCY MOTION FOR CLARIFICATION

BEFORE THE COURT is Defendant Jeffrey Baron's Emergency Motion for Clarification (Docket No. 165). In his Emergency Motion Mr. Baron requests clarification of the Court's December 13, 2010 Order Denying his Motion for Emergency Ruling on Motion to Stay Pending Appeal the Court's Order Appointing a Receiver. Specifically, Mr. Baron seeks clarification as to whether the hearing set for December 17, 2010 will be an evidentiary hearing.

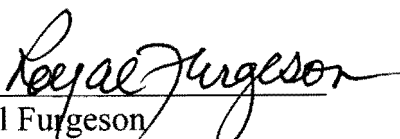
In order to fully consider Mr. Baron's pending Emergency Motion to Vacate Order Appointing Receiver and in the Alternative Motion for Stay Pending Appeal, the Court finds that an evidentiary hearing is necessary. Accordingly, the Court has reserved December 17, 2010 for hearing the arguments of the parties as well as any evidence the parties wish to present on the pending Emergency Motion. In the Court's view, there is not

enough time for discovery and none will be required. Trial lawyers regularly attend evidentiary hearings without the benefit of discovery and have been doing so since the dawn of time.

The hearing will convene at 10:00 a.m. on Friday, December 17, 2010. The Court will break at 11:30 a.m. for lunch and reconvene at 2:00 p.m. The parties should be prepared to conclude the hearing by 3:30 p.m. Mr. Baron is ordered to appear in person at the hearing.

It is so Ordered.

Signed this 15th day of December, 2010.



Royal Furgeson
Senior United States District Judge

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Point, LLC—the two entities that apparently hold most of the Receiver Assets. Although this Court has already announced at the previous hearing that these entities are bound by the Receiver Order, Mr. Baron views the Receiver Order as meaningless and unenforceable. Unless the Court explicitly clarifies the Receiver Order through another written order, Mr. Baron and his ever-growing legal team will continue to exploit the perceived ambiguity, ignore the Receiver Order, and prevent the Receiver from doing his job.

2. Background Facts

a. Mr. Baron's Lawyers Are Interfering with the Receiver's Efforts.

On October 13, 2010, the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Case”) entered its *Report and Recommendation to District Court (Judge Royal Furgeson): That Peter Vogel, Special Master, Be Authorized and Directed to Mediate Attorneys Fees Issues* [Docket No. 484] (the “Bankruptcy Court’s Report and Recommendation”) in the bankruptcy case of Ondova, styled in *In re Ondova Limited Company*, Case No. 09-34784 (the “Bankruptcy Case”). (A true and correct copy of the Bankruptcy Court’s Report and Recommendation is attached hereto as exhibit A, Appx. 1-11.) The Bankruptcy Court’s Report and Recommendation describes “the bankruptcy court’s concerns . . . by the fact that Jeffrey Baron has continued to hire and fire lawyers for himself and certain entities . . .” (Ex. A at Appx. 4.) The Bankruptcy Court’s Report and Recommendation states that “[t]he bankruptcy court has a growing concern that Jeffrey Baron’s actions may be exposing the Ondova bankruptcy estate to possible administrative expense claims for amounts owed to attorneys that Jeffrey Baron should pay or entities with which he is connected (Quantec, Village Trust, etc.) should rightfully pay.” (Ex. A at Appx. 5.) (Emphasis in original.) The Bankruptcy Court’s Report and Recommendation further notes as follows:

The Bankruptcy Court's Report and Recommendation addressed Mr. Jeffrey Baron's continuing and disturbing pattern of hiring and firing attorneys. In the Bankruptcy Court's Report and Recommendation, the Bankruptcy Court stated that it would no longer tolerate such behavior and that it would not allow Mr. Jeffrey Baron ("Baron") to hire any additional lawyers. In fact, the Bankruptcy Court gave Baron two options: (1) retain Gary Lyons and Martin Thomas through the end of the Bankruptcy Case, or (2) proceed pro se. If Baron chose the latter opinion, the Bankruptcy Court advised Baron that it would recommend to this Court that it appoint a receiver over Mr. Baron and all of his assets.

(Ex. A. at Appx. 3.) Notwithstanding all of this, Mr. Baron keeps hiring lawyer after lawyer. The Receiver Peter Vogel (the "Receiver") has had to deal with and respond to the repeated accusations, questions, pleadings, misrepresentations, and contradictory instructions of four different lawyers in the three weeks since the issuance of the Order Appointing Receiver (the "Receiver Order").

i. Lawyer #1—Sid Chesnin.

1) Accusations.

Mr. Chesnin was Mr. Baron's attorney for about a week at the time of entry of the Receiver Order. In a simple exchange about attorneys' fees for his work to date, he accused the Receiver (or, possibly, the Court) of "negligence" by not specifically identifying Quantec, LLC ("Quantec") and Novo Point, LLC ("Novo Point") in the Receiver Order. (A true and correct copy of e-mail correspondence dated November 30, 2010, is attached hereto as exhibit B, Appx. 13 - 14.)

2) Questions.

Soon after entry of the Receiver Order on November 30 and December 1, 2010, Mr. Chesnin began peppering the Receiver with questions and requests about Mr. Baron's living expenses, attorneys' fees claims from other Baron attorneys, confidentiality of records produced

to the Receiver, the Receiver paying for a “helper” to assist Mr. Baron in gathering records, and when the Receiver was going to pay him for his time. (True and correct copies of the e-mail correspondence dated November 30 and December 1, 2010, is attached hereto as exhibits C and D, Appx. 15-19.) On December 3, 2010, Mr. Chesnin asked a hypothetical question about whether the Receiver Order permitted Mr. Baron’s friends’ to hire an attorney for Mr. Baron. (A true and correct copy of the e-mail correspondence dated December 3, 2010, is attached hereto as exhibit E, Appx. 20-21) The Receiver made attempts to respond to Mr. Chesnin’s numerous inquiries. (True and correct copies of e-mail correspondence dated November 30 and December 3, 2010 is attached hereto as exhibits C, Appx. 15-17, and E, Appx. 20-21.) But Mr. Chesnin followed every answer with a more distracting question.

ii. Lawyer #2—Gary Schepps.

1) Accusations.

In a December 5, 2010, letter, Mr. Schepps—Mr. Baron’s first of three new lawyers since issuance of the Receiver Order—charged that the Receiver and his counsel violated Mr. Baron’s constitutional rights:

You and I both swore an oath to uphold the U.S. [C]onstitution. Am [sic] when the time comes, you will have the opportunity to explain how you participated in such a gross deprivation of an individual’s constitutional rights under color of federal law.

(A true and correct copy of correspondence dated December 5, 2010, is attached hereto as exhibit F, Appx. 22-24.) Throughout the week of December 6, 2010, Mr. Schepps continued to harass and threaten the Receiver—and one point, apparently analogizing the Receiver Order to an order given from a Nazi Officer, commenting that “[t]he ‘I am only following orders’ routine hasn’t played well in 60 years.” (A true and correct copy of the December 6 – 8, 2010 correspondence

is attached hereto as exhibit G, Appx. 25-34.) All the while, Mr. Schepps continued demanding attorneys' fees—including as much as \$100,000. (*Id.* at Appx. 31.)

2) Questions.

Mr. Schepps also had his own questions for the Receiver. On December 6, 2010, Mr. Schepps asked the Receiver what his “purpose” was, for an accounting of the Receiver’s fees, and a list of assets the Receiver had seized. (Ex. G at Appx. 31.) When the Receiver suggested that Mr. Schepps make a formal inquiry per the Receiver Order, Mr. Schepps became hostile. (“[A]ll persons and entities in need of documentation from the Receiver shall in all instances first attempt to secure such information by submitting a formal written request.” Receiver Order at p. 13.)

3) Pleadings.

On December 3, 2010, Mr. Schepps filed an Emergency Motion to Vacate Order Appointing Receiver and in the Alternative, Motion for Stay Pending Appeal, and Brief in Support (“Motion to Vacate”). (Docket #137.) This would be the first of **seven** motions Mr. Schepps has filed on Mr. Baron’s behalf with either this Court or Court of Appeals in the past 12 days. (Docket #'s 137, 138, 141, 144, 157, and 165.) In his December 3, 2010, Motion to Vacate, Mr. Baron complains about emotional suffering, helplessness, dizziness, shortness of breath, depression, sleeplessness, abnormally high blood glucose levels, nausea, loss of balance, inability to stand upright, and “general ill health.” (Docket #137 at p. 6.) Mr. Baron supported these contentions with a sworn declaration. (*Id.* at pp.10-13.) In his December 6, 2010, Second Motion for Emergency Consideration on Shortened Notice with Respect to Emergency Motion to Stay Pending Appeal of the Court’s November 24, 2010 Order Appointing Receiver, Mr. Baron again alleged that the Receiver Order violated his constitutional rights and that it prevented him

from seeking medical care. (Docket #141.) Despite putting these allegations into pleadings, Mr. Schepps has been wholly uncooperative in the Receiver's efforts to obtain medical care for Mr. Baron. (Exs. F and G, Appx. 22-34.) (The Receiver's repeated attempts to assist Mr. Baron with his medical care are detailed in § II.D below.)

iii. *Lawyer #3—Joshua Cox.*

1) Misrepresentations.

Upon the issuance of the Receiver Order, Mr. Cox represented himself to be counsel for Novo Point and someone who would be aiding the Receiver. On November 29, 2010, Mr. Cox checked in with the Receiver to make sure he had received all the documents he needed. (A true and correct copy of e-mail correspondence dated November 29, 2010, is attached hereto as exhibit H, Appx. 35-41.) Understandably, counsel for the Receiver expressed his appreciation. (*Id.*) On December 1, 2010, Mr. Cox forwarded a fees invoice to the Receiver for post-Receiver Order work suggesting that the Receiver should view him as one of his own attorneys. Indeed, Mr. Cox wrote: “[t]hanks for the opportunity to assist” implying his willingness to abide by the Receiver Order. (A true and correct copy of e-mail correspondence dated December 1, 2010, is attached hereto as exhibit I, Appx. 42-45.) On December 6, 2010, Mr. Cox helped the Receiver with pre-receivership litigation involving the Receivership Parties. (A true and correct copy of e-mail correspondence dated December 6, 2010, is attached hereto as exhibit J, Appx. 46-48.)

Mr. Cox stated:

I represent the owner of the names at issue [Novo Point]. A Receiver was appointed over all the Receivership Assets, **including these names**, on November 24. The Order enjoins any transfer or sale of names without express **approval** from the Receiver.

[Emphasis added.] (*Id.* at Appx. 47.) Mr. Cox was copied on numerous confidential communications among the Receiver's counsel and representatives discussing strategy for managing Receivership Assets. (True and correct **redacted** copies of e-mail correspondence dated December 7 and 8, 2010, are attached and incorporated herein as exhibits K-N, Appx. 49-80. The Receiver will provide un-redacted copies for the Court's review in camera or upon filing under seal.)

Then, inexplicably, Mr. Cox switch sides and started to work **against** the Receiver. As will be explained in more detail below, the Receiver has been trying to obtain access to two BBVA Compass Bank accounts in the name of Novo Point and Quantec which hold significant Receivership Assets (the "Compass Accounts"). When Jeff Harbin, Novo Point and Quantec's manager, ignored informal requests for help accessing the Compass Accounts, the Receiver issued a subpoena (the "Harbin Subpoena"). Mr. Cox, instead of helping the Receiver get access to the Compass Accounts, interceded on Mr. Harbin's behalf and demanded that the Receiver withdraw the Harbin Subpoena. (A true and correct copy of e-mail correspondence dated December 10, 2010 is attached hereto as exhibit O, Appx. 81-83.)

Counsel for the Receiver asked Mr. Cox for an explanation:

The Receiver is unsure what your role is here and whom you now claim to represent. The Receiver understood that you were an attorney for Quantec, LLC and Novo Point, LLC, and as such, you would report to the Receiver. In other words, the Receiver thought you were his attorney. Indeed, you sent the Receiver an invoice the other day for work, including work performed after the issuance of the Receiver Order. So, are you also claiming to represent Jeffrey Harbin with relation to opposing the Receiver's subpoena? Are you, the Receiver's attorney, also aiding Mr. Harbin in not complying with the Receiver's requests? Because if you are, that sounds like a pretty obvious conflict to me.

(Ex. O, at Appx. 83.) All of a sudden, Mr. Cox stated that Novo Point was “object[ing] . . . to the appointment of a Receiver over its affairs.” (*Id.* at Appx. 82.) This statement was confounding to say the least in light of Mr. Cox’s written statement on December 6, 2010, that Novo Point was, indeed subject to the Receiver Order. (Ex. J, at Appx. 47.)

2) Pleadings.

Mr. Cox’s machinations continued in the pleadings he filed. On December 10, 2010, Mr. Cox filed an appearance on behalf of Quantec, LLC and Novo Point, LLC. (Docket #153.) Mr. Cox also filed a Response and Objection of Quantec, LLC and Novo Point, LLC to Receiver’s Motion to Clarify the Receiver Order (the “Response to Motion to Clarify”) . (Docket #154.) The Response to the Motion to Clarify argues flatly that Novo Point and Quantec should not be involved in the Receivership. Again, Mr. Cox, in correspondence a mere four days earlier on December 6, 2010, undermined the entire basis for this argument when he stated just the exact opposite position, i.e. Novo Point and its domain names were part of the Receivership estate. (Ex. J, at Appx. 47.)

3) Questions.

Recently, Mr. Cox has also decided to question the Receiver about his management of the Receivership Assets. Specifically, Mr. Cox has inquired about the deletion of domain names Novo Point and Quantec own. (A true and correct copy of the e-mail correspondence dated December 14, 2010, is attached hereto as exhibit P, Appx. 84-87.) Interestingly, Mr. Cox again obtained the information for his interrogation by virtue of being copied on confidential e-mails involving the Receiver corresponding with third parties about management of the domain names. (Exs. K-N, at Appx. 49-80.) The Receiver, of course, copied Mr. Cox because Mr. Cox had given him the impression he was working for the Receiver!

iv. *Lawyer #4—Thomas Jackson.*

1) Accusations.

Like Mr. Chesnin and Mr. Schepps, Mr. Jackson has taken swipes at the Receiver. In an e-mail on December 14, 2010, Mr. Jackson charged that the Receiver was possibly liable for “gross mismanagement.” (A true and correct copy of the correspondence dated December 14, 2010, is attached hereto as exhibit Q, Appx. 93.) He also discredited the Receiver Order itself: “[C]ooperation does not include blindly following orders.” (*Id.*)

2) Pleadings.

When Mr. Cox’s informal attempts to get Mr. Harbin out of the Harbin Subpoena failed, Mr. Jackson on December 10, 2010, appeared on behalf of Novo Point and Quantec and filed an Objection to Subpoena and Response to Motion to Quash. (Docket #155.)

3) Questions.

On December 14, 2010, Mr. Jackson also began interrogating the Receiver. Mr. Jackson asked multiple questions about the operation of the Receivership Parties, his decisions regarding personnel, and his management of the finances for the Receivership Parties. Mr. Jackson also implied the Receiver was not qualified:

Also, the Receiver has instructed the registrar not to follow, act on or otherwise perform any requests made by Mr. Harbin on behalf of Quantec, LLC and/or Novo Point LLC. Does Mr. Vogel believe he has the technical expertise or ability to properly manage these domain names? Does he plan to hire someone who does? If not, why has he not reached out to Mr. Harbin, a contract employee, in order to maximize value, or at least maintain value, until the due process questions are sorted out? Mr. Harbin was devoting 3 to 4 hours per day to my clients. Does Mr. Vogel believe he can do it more efficiently without using Mr. Harbin?

(Ex. Q, at Appx. 93.) Counsel for the Receiver offered a detailed point by point response, asked his own questions of Mr. Jackson, and then offered to have a face to face meeting to work out the

issues. (*Id.* at Appx. 89-92) Not surprisingly, Mr. Jackson refuses to answer very simple questions counsel for the Receiver poses. (A true and correct copy of e-mail correspondence dated December 10, 2010, is attached hereto as exhibit Q1, Appx. 134-137.)

The Receiver also tried to respond to the numerous inquiries from the other Baron lawyers. (True and correct copies of e-mail correspondence dated November 30, December 1, December 3, and December 8, and December 14, 2010 attached hereto as exhibits C, at Appx. 16-17, E, at Appx. 21, G, at Appx. 26-34, and Q, at Appx. 89-133.) Eventually, the Receiver requested a joint meeting with all the Baron attorneys so he could answer their questions and get his own answered as well. (A true and correct copy of the e-mail correspondence dated December 14, 2010, is attached hereto as exhibit R, Appx. 139-40.) This meeting, unfortunately, has not occurred (and will likely not occur unless the Court clarifies the Receiver Order.)

v. *The Baron lawyers contradict one another.*

Mr. Schepps, Mr. Cox, and Mr. Jackson have all offered vastly different positions of how the Receiver should be managing the internet domain names Novo Point and Quantec own. On December 10, 2010, Mr. Schepps filed a Waiver of Reply and Motion for Immediate Ruling on Motion to Vacate Receivership and Alternative Motion to Stay Pending Appeal (the “Motion for Immediate Ruling”). (Docket #144.) The Motion for Immediate Ruling attaches a declaration from Mr. Baron stating that the Receiver should renew all the domain name including those whose maintenance fees exceeded their revenue. (*Id.* at p. 8.) According to Mr. Baron, each internet domain name “presents a unique business opportunity” and should not be “liquidate[d].” (*Id.*) Mr. Baron further declared that “the Receiver has already seized more than sufficient assets to cover whatever its needs are.” (*Id.*) This statement is patently false because Mr. Baron, Mr. Harbin, and the Baron attorneys have all participated in thwarting the Receiver’s access to the

Receivership assets necessary to maintain the internet domain names. The Receiver will explain why in further detail below in section II.B.

On December 14, 2010, Mr. Jackson contradicted Mr. Baron and said that not every domain name should be renewed, but “7,000 names . . . need . . . to be jettisoned in order to preserve what cash remains.” (Ex. Q, at Appx. 93.) The same day, however, Mr. Cox contradicted Mr. Baron and Mr. Jackson and advocated for the deletion of 40,000 domain names—based on the confidential communications the Receiver copied him on while he was posing as the Receiver’s attorney. (Ex. P, at Appx. 85.) This is the game Mr. Baron is playing. Knowing that the Receiver must spend Receivership Assets to renew domain names, Mr. Baron claims that any decision the Receiver makes—renewal of all domain names, renewal of most domain names, or renewal of some domain names—will be Mr. Baron’s *ipso facto* evidence of the Receiver’s “gross misconduct.”

b. The Receiver has not been able to gain control of all of the Receivership Assets.

i. The Compass Accounts.

As mentioned above, the Receiver has been unable to gain control over the Compass Accounts. On December 6, 2010, counsel for the Receiver met with Mr. Harbin in his office in North Dallas. (Declaration of Counsel for the Receiver is attached as exhibit S at Appx. 142, 3.) Counsel for the Receiver and Mr. Harbin discussed a variety of issues concerning the Receivership Parties and the Receivership Assets as defined in the Receiver Order. In particular, counsel for the Receiver discussed the Compass Accounts with Mr. Harbin. (*Id.*) After the meeting, counsel for the Receiver called Mr. Harbin on the phone, and they arranged to meet the next day at a Compass Bank location convenient for Mr. Harbin so that counsel for the Receiver could be added as a signatory to the Compass Accounts. (*Id.* at Appx. 142-43, ¶ 5.)

Counsel for the Receiver sent a confirmatory e-mail to Mr. Harbin later that evening. (A true and correct copy of the e-mail dated December 7, 2010, is attached hereto as exhibit T, Appx. 145-46.) When counsel for the Receiver did not receive a response from Mr. Harbin, he e-mailed him again. (A true and correct copy of the e-mail dated December 7, 2010, is attached hereto as exhibit U, Appx. 148-49.) This time, Mr. Harbin stated “No, I cannot meet you tomorrow. I will be in touch soon.” (*Id.* at Appx. 148.)

The next day on December 8, 2010, counsel for the Receiver notified Mr. Harbin of his obligation pursuant to the Receiver Order to cooperate with the Receiver’s efforts on behalf of the Receivership estate. (A true and correct copy of the e-mail dated December 8, 2010, is attached hereto as exhibit V, at Appx. 151.) Accordingly, counsel for the Receiver instructed Mr. Harbin to meet him at a BBVA Compass Bank branch on Preston Road in Dallas the next day, December 9, 2010, at 10 a.m. (*Id.*) Mr. Harbin did not respond. The morning of December 9, 2010, counsel for the Receiver called Mr. Harbin’s office and cell phones before 10 a.m. to confirm the meeting. Counsel for the Receiver also sent an e-mail to Mr. Harbin and received no response. (A true and correct copy of e-mail correspondence dated December 9, 2010, is attached hereto as exhibit W, at Appx. 155.)

In order to compel Mr. Harbin’s cooperation, the Receiver issued the Harbin Subpoena requiring his appearance at a Compass Bank branch on Cedar Springs Road in Dallas on December 13, 2010.¹ (Docket #158.) On December 13, 2010 at approximately 8:55 a.m., counsel for the Receiver arrived at the Compass Bank branch designated in the Harbin Subpoena. (Ex. S, at Appx. 143, ¶ 7.) Counsel for the Receiver waited inside the branch for Mr. Harbin

¹ Prior to the scheduled December 13, 2010, meeting, Mr. Jackson, on Mr. Harbin’s behalf filed an Objection to Subpoena and Response to Subpoena. (Docket #155.) Without the benefit of all the facts and circumstances before it, the Court granted the relief requested. (Docket #150.)

until 9:30 a.m. (*Id.* at Appx. 143, ¶ 8.) Counsel for the Receiver also called Mr. Harbin’s office and cell phones to inquire as to his arrival. (*Id.*) Mr. Harbin did not answer either call, and counsel for the Receiver left voice-mail messages. (*Id.*) Mr. Harbin did not appear at the Compass Bank branch while counsel for the Receiver was there. (*Id.* at Appx. 143, ¶ 9.)

ii. *Hitfarm.com.*

1) What is Hitfarm.com?

Internet domain name “monetizers” provide compensation based on the amount of internet traffic a particular domain name experiences. One such monetizer is Hitfarm.com which contributes a significant amount of revenue to the Compass Accounts. The following chart illustrates the payments from Hitfarm.com the Compass Accounts have received in 2010:

Month	Novo Point Compass Bank Account	Quantec Compass Bank Account
January 2010	n/a	n/a
February 2010	n/a	n/a
March 2010	\$48,633.06	n/a
April 2010	\$56,082.23	n/a
May 2010	\$48,967.72	\$180,638.28
June 2010	\$44,921.47	\$177,327.40
July 2010	n/a	\$162,734.29
August 2010	n/a	n/a
September 2010	\$87,984.47	\$295,497.00
October 2010	\$41,504.52	\$144,281.72
November 2010	\$36,613.48	\$134,494.34

Month	Novo Point Compass Bank Account	Quantec Compass Bank Account
SUB-TOTALS	\$364,706.95	\$1,094,973.00

GRAND TOTAL: \$1,459,679.95

2) Hitfarm.com will not grant the Receiver access to revenues.

However, without express authorization from Mr. Baron or one of his representatives, Hitfarm.com refuses to direct future payments to a bank account the Receiver has established for the receipt and preservation of Receivership assets.² In e-mail correspondence on December 10, 2010, Hitfarm.com made its intentions clear:

Hitfarm will not divert any money earned without consent of BOTH Mr. Baron or one of his attorneys/representatives AND the Receiver, we will continue to make regular payments to current payments details [i.e., the Compass Accounts].

(A true and correct copy of the e-mail correspondence dated December 10, 2010, is attached hereto as exhibit X, Appx. 160.) Upon information and belief, Hitfarm.com is refusing to divert the revenue based upon Mr. Baron's instructions.

Notably, when the Receiver asked for clarification on the issue of written authorization, Hitfarm.com responded that "legal documentation that **clarifies** that the Receiver has **control** of Quantec LLC and Novo Point LLC" would be sufficient for Hitfarm.com to grant the Receiver access to and control over the revenue generated from Quantec and Novo Point's domain names.

(*Id.* at Appx. 159.) (Emphasis added.) Specifically, Hitfarm confirmed its position as the following:

² The alternative would be for Mr. Baron to grant access to the Compass Accounts and to continue to allow the Hitfarm.com revenue to be deposited there. As described in detail above, the Receiver has been unable to gain access to the Compass Accounts.

Before Hitfarm will divert funds to the Receiver, the Receiver must first provide Hitfarm with an Order from the Court clarifying that the Receiver controls Quantec LLC and Novo Point LLC.

(A true and correct copy of the e-mail correspondence dated December 14, 2010, is attached hereto as exhibit Y, Appx. 196-233.)

Importantly, the Receiver needs access to these revenue streams in order to meet Novo Point and Quantec's obligations—namely renewal fees for the internet domain names. If the Receiver is unable to obtain access to these funds in time to pay the next renewal fees in the amount of \$273,981.82 due December 20, 2010, Novo Point and Quantec's ownership of 36,000 domain names—a key asset in the Receivership estate—will be lost.

- 3) Mr. Baron, Mr. Harbin, Mr. Cox, and Mr. Jackson are aware of the cash-crunch.

The Receiver has made Mr. Baron, Mr. Harbin, and their putative attorneys aware of this cash-crunch. On December 13, 2010, counsel for the Receiver wrote a detailed e-mail explaining the urgency of the situation. (A true and correct copy of the e-mail dated December 13, 2010, is attached as exhibit Z, Appx. 233-36.) Counsel for the Receiver warned that 36,000 domain names were in jeopardy unless Fabulous.com, the domain names' registrar, received the needed funds on December 20, 2010. (*Id.*) Counsel for the Receiver asked for access to Mr. Baron's bank accounts (two of which are the Compass Accounts) and/or the revenue streams from hitfarm.com and the other internet domain name monetizers. (*Id.*) Counsel for the Receiver received no response.

On December 14, 2010, counsel for the Receiver again notified Mr. Baron, Mr. Harbin, and their putative attorneys of the seriousness of the situation. (Ex. Y, at Appx. 197.) He once again asked for written authorization to Hitfarm.com for diversion of the revenue to pay renewal fees. Counsel for the Receiver was explicit in what the consequences were for a refusal to

cooperate: “Your failure to comply with this instruction will be a violation of the Receiver Order and will also be the reason why the 36,000 domain names will expire.” (*Id.*) Instead of offering constructive advice on how to proceed, i.e. cooperating with the Receiver to get access to the Hitfarm.com revenue, the Compass Accounts, or other Receivership Assets, Mr. Cox and Mr. Jackson offered nothing but more questions. (Ex. Q, at Appx. 89-133)

iii. SouthPac.

On November 24, 2010, the Receiver contacted all of the Receivership Parties to give them notice of issuance of the Receiver Order. (A true and correct copy of an email dated November 24, 2010, is attached hereto as exhibit AA, Appx. 240-242.) One such party is SouthPac Trust Limited in the Cook Islands (“SouthPac”). SouthPac possesses Receivership Assets as defined in the Receiver Order. (Receiver Order at pp. 2-3.) SouthPac responded the same day claiming it was not subject to the Receiver Order. (Ex. AA, at Appx. 238-40.) In other words, unless the Court instructs Mr. Baron to give the Receiver access to these funds, assets will be lost. *U.S. v. Ross*, 302 F.2d 831 (2d Cir. 1962) (holding that a court can compel an individual in receivership to turn over property located outside the jurisdiction of the U.S.); *Citronelle-Mobile Gathering, Inc. v. Watkins*, 934 F.2d 1180 (11th Cir. 1991) (holding that a receiver has the authority to take possession of assets of the entity in receivership which may be located abroad.)

c. The Receiver has experienced interference with his management of the Receivership Parties.

i. James Eckels.

Unlike Mr. Baron’s other lawyers who have all worked to obstruct the Receiver, one former Baron attorney, James Eckels, has assisted the Receiver. When Mr. Baron learned of Mr. Eckels’ cooperation with the Receiver, he had Mr. Harbin fire him. (A true and correct copy of

e-mail correspondence dated December 7, 2010, is attached hereto as exhibit BB, Appx. 244-46.) Counsel for the Receiver immediately objected to Mr. Harbin's actions stating that "Jeff Harbin is not acting under any instruction of the Receiver or his counsel." (*Id.* at Appx. 244.) Counsel for the Receiver asked Mr. Harbin to call him to discuss the matter, but he never responded. (*Id.*)

ii. Fabulous.com.

Fabulous.com is the "registrar" which maintains Novo Point and Quantec's internet domain names. It is also the company which charges the renewal fees which are next due on December 20, 2010, in the amount of \$273,981.82 discussed in more detail above. On December 10, 2010, Mr. Harbin secretly tried to obtain access to Novo Point and Quantec's account login information at Fabulous.com. (A true and correct copy of the e-mail correspondence dated December 10, 2010, is attached hereto as exhibit CC, Appx. 248-52.) Luckily, Fabulous.com copied the Receiver on its response to Mr. Harbin. (*Id.* at Appx. 248-49.) The Receiver quickly alerted Fabulous.com to not make any changes to Novo Point or Quantec's accounts without the Receiver's permission. (*Id.* at Appx. 248.)

d. Mr. Baron has resisted the Receiver's attempts to help Mr. Baron himself.

i. The Receiver sent Mr. Baron \$1,000.

On November 29, 2010, the Receiver received an e-mail from Sid Chesnin, one of Mr. Baron's purported attorneys, asking for a \$3,600/month stipend for living expenses. (Ex. B, at Appx. 14.) On December 1, 2010, the Receiver informed Mr. Baron of his intention to issue him a check for daily living expenses. (A true and correct copy of the e-mail correspondence dated December 1, 2010, is attached hereto as exhibit DD, Appx. 254-55.) The next day on December 2, 2010, the Receiver asked Mr. Baron for information so he could open a bank account in his name with funds for living expenses. (A true and correct copy of the e-mail correspondence

dated December 2, 2010, is attached as exhibit EE, Appx. 257-58.) The Receiver notified Mr. Baron he was literally at the bank waiting on Mr. Baron to send the information. (*Id.* at Appx. 258.) Rather than cooperate, Mr. Baron ignored the request for information and asked for a lawyer. (*Id.* at Appx. 257-58.)

On December 2, 2010, despite Mr. Baron's refusal to cooperate, the Receiver, nevertheless, issued a check in the amount of \$1,000 out of his own personal funds and sent it via hand delivery. (A true and correct copy of the correspondence dated December 2, 2010, and check in the amount of \$1,000 is attached hereto as exhibit FF, Appx. 261-63.)

Clearly, sending large checks to Mr. Baron is not the ideal way in which to handle his daily living expenses. So, as described above, the Receiver would like to open a joint bank account from which Mr. Baron could draw funds. On December 3, 2010, the Receiver sent via hand delivery a bank account signature card for Mr. Baron to sign so he could be a signatory on such an account. (True and correct copies of the letter dated December 3, 2010, and signature card are attached hereto as exhibit GG, Appx. 265-68.) The Receiver has hired a courier to make 3 attempts at delivery of the bank signature card. (True and correct copies of the affidavits of Special Delivery courier service are attached hereto as exhibit HH, Appx. 270-72.) Mr. Baron has either not answered the door or not been home when the courier has arrived.

On December 3, 2010, Mr. Baron—through attorney Gary Schepps—filed an Emergency Motion to Vacate Order Appointing Receiver and in the Alternative, Motion to Stay Pending Appeal, and Brief in Support. (Docket #137.) Mr. Baron alleged in the motion he could not go “to an independent doctor because the [R]eceiver has his money.” (*Id.* at p. 6.) The Receiver inquired with Mr. Baron as to this statement and asked him to notify the Receiver of any need for “additional and immediate funds for an independent doctor or any other medical care.” (A true

and correct copy of the e-mail correspondence dated December 3, 2010, is attached hereto as exhibit II, at Appx. 274.) The Receiver received no response.

ii. The Receiver corresponded with Gary Schepps about Mr. Baron's well-being.

After Mr. Schepps filed the motion to stay on Mr. Baron's behalf, the Receiver attempted to initiate a dialogue with him concerning Mr. Baron's daily needs. On December 3, 2010, counsel for the Receiver talked with Mr. Schepps on the phone and then followed up with an e-mail. (A true and correct copy of the e-mail correspondence dated December 3, 2010, is attached hereto as exhibit JJ, Appx. 276-77.) Counsel for the Receiver requested face-to-face meeting with Mr. Schepps and/or Mr. Baron to discuss Mr. Baron's "financial needs for daily living and the best ways to get money to him." (*Id.*) Rather than accept the Receiver's offer to discuss Mr. Baron's needs, Mr. Schepps wrote back and demanded a \$50,000 retainer for his services and accused the Receiver and his counsel of violating Mr. Baron's constitutional rights. (Ex. F, at Appx. 23-24.) In another e-mail, Mr. Schepps asked for "50,000 or 100,000" dollars. (Ex. G, at Appx. 31.)

On December 6, 2010, counsel for the Receiver again asked Mr. Schepps whether he wished to speak about Mr. Baron's living expenses. (*Id.* at Appx. 32.) Mr. Schepps ignored the Receiver's offer but, nevertheless, alleged that Mr. Baron was unable "to control his blood sugar level and needs to be able to go to the doctor." (*Id.* at Appx. 31.) He, then, reversed course again and said the "scope of my representation is limited to the appeal [of the Receiver Order]." (*Id.*) On December 8, 2010, counsel for the Receiver followed up on Mr. Schepps' comment about Mr. Baron's blood sugar and again asked how the Receiver could help. (A true and correct copy of the e-mail dated December 8, 2010, is attached hereto as exhibit KK, at Appx. 279.) Mr. Schepps never responded to the inquiry.

iii. *Mr. Baron ignored the Receiver's inquiries about his insurance needs.*

On December 8, 2010, counsel for the Receiver asked Mr. Baron what insurance needs he had. (A true and correct copy of the e-mail dated December 8, 2010, is attached hereto as exhibit LL, Appx. 281.) Instead of answering the question or offering information about his supposedly urgent health concerns, Mr. Baron asked the Receiver to send Mr. Schepps \$50,000 and allow him to sign a retainer agreement with Mr. Schepps. (*Id.*) On December 10, 2010, counsel for the Receiver wrote in an e-mail to Mr. Baron that the Receiver was not permitted per the Receiver Order to forward \$50,000 to Mr. Schepps. (A true and correct copy of the e-mail dated December 10, 2010 is attached hereto as exhibit MM, Appx. 284.) Counsel for the Receiver again asked Mr. Baron about his insurance needs. (*Id.*) Mr. Baron never responded.

iv. *The Receiver sent Mr. Baron \$2,600.*

On December 8, 2010, the Receiver sent Mr. Baron via hand delivery a check for \$2,600 out of an account established to preserve Receivership Assets. (True and correct copies of the letter dated December 8, 2010, and the check in the amount of \$2,600 are attached hereto as exhibit NN, Appx. 287-88.) The Receiver sent Mr. Baron \$2,600 because that amount plus the \$1,000 originally sent equals \$3,600, *i.e.* the amount Mr. Chesnin said Mr. Baron needed each month.

3. Argument and Authorities

a. Failure to Clarify the Receiver Order's Inclusion of Novo Point and Quantec Will Allow Mr. Baron to Keep Hiring Lawyers.

The Receiver Order grants the Receiver the authority “[t]o choose, engage, and employ attorneys . . . as [the] Receiver deems advisable or necessary.” (Docket #124 at p. 8.) The Court later clarified the Receiver Order and declared that the “Receiver Order does not authorize or

direct the Receiver to employ a new lawyer for Defendant Jeffrey Baron or release funds to allow Baron to hire or pay for a new lawyer.” (Docket #150.)

Nonetheless, two additional lawyers, Joshua Cox and Thomas Jackson, have appeared in this matter supposedly representing Novo Point and Quantec. (Docket #'s 153 and 155.) Mr. Schepps has appeared on behalf of Mr. Baron personally. (Docket #137.) The Receiver did not hire either Mr. Cox or Mr. Jackson—or Sid Chesnin or Gary Schepps for that matter. Instead, Mr. Cox and Mr. Jackson maintain that Novo Point and Quantec—but technically, not Baron—hired them. (Exhibits O, Appx. 82-83, and OO, Appx. 290-91.) In reality, Mr. Baron hired Mr. Cox and Mr. Jackson because he controls Novo Point and Quantec. So, unless the Court grants the Receiver’s Motion to Clarify and declare that Novo Point and Quantec were always subject to the Receiver Order, Mr. Baron’s parade of lawyers appearing in this matter will continue.

Accordingly, the Receiver seeks an order:

- Forbidding Jeff Baron, Jeff Harbin, or any of their representatives or agents from attempting to retain or terminate any of the Receiver’s Professionals on behalf of Jeff Baron or any of the Receivership Parties;
- Compelling purported Baron attorneys Sid Chesnin, Gary Schepps, Thomas Jackson, and Joshua Cox to each file a sworn statement detailing the nature and circumstances of their involvement in this matter no later than December 20, 2010, at 9 a.m.; and
- Compelling Sid Chesnin, Gary Lyon, Gary Schepps, Thomas Jackson, Thomas Martin, Joshua Cox, James Eckels, and Jeff Harbin to each file a sworn statement detailing any and amounts received from any of the Receivership Parties since the date of the Receiver Order, who provided the payments, and the accounts from which the payments were drawn no later than December 20, 2010, at 9 a.m.

b. Failure to Clarify the Receiver Order to Include Novo Point and Quantec Will Allow Mr. Baron to Impede the Receiver’s Efforts to Access Receivership Assets.

The Receiver Order grants the Receiver the authority to “take exclusive custody, control, and possession of all assets and documents in the possession, custody or under the control of, the Receivership Party wherever situated . . .” (Docket # 124 at pp.6-7.) The Receiver Order further grants the Receiver the authority to “investigate, conserve, hold, and manage all Receivership Assets, and perform all acts necessary or advisable to preserve the value of those assets in an effort to prevent any irreparable loss . . .” (*Id.* at p. 7.)

Mr. Baron, Mr. Harbin, Mr. Cox, and Mr. Jackson are actively attempting to thwart the Receiver’s efforts to conserve and manage the Receivership Assets. Mr. Harbin ignored the Receiver’s informal requests to meet his counsel at a BBVA Compass bank branch to arrange for the Receiver to become a signatory on the Compass Accounts. Then, Mr. Harbin ignored the Harbin Subpoena compelling him to do the same. Mr. Cox and Mr. Jackson also interceded through a request to the Receiver to withdraw the Harbin Subpoena and the filing of a motion to quash it. Presumably, Mr. Baron approved of these tactics.

Next, the Receiver requested that Mr. Baron, Mr. Harbin, Mr. Cox, and Mr. Jackson cooperate in getting the Receiver access to the revenues owed to Novo Point and Quantec from Hitfarm.com. They have also refused these requests. In sum, the Receiver has been unable to gain access to the Compass Accounts or the revenue from Hitfarm.com in spite of his warnings that failure to pay Fabulous.com \$273,981.82 in renewal fees by December 20, 2010, will result in the expiration and loss of approximately 36,000 internet domain names belonging to Novo Point and Quantec.

Further, the Receiver has learned of hundreds of thousands (or perhaps millions) of dollars in **additional** Receivership Assets being held at the following financial institutions in the name of Jeff Baron:

- Dreyfus Investments;
- Bank of New York;
- Delaware Charter Guarantee & Trust;
- Sterling Trust Company;
- Las Colinas Federal Credit Union;
- Equity Trust Company;
- Mid-Ohio Securities Corporation;
- TD Ameritrade;
- American Century Investments;
- Capital One Bank;
- Evergreen Investments;
- Hibernia National Bank;
- The Vanguard Group;
- Woodforest National Bank; and
- NetBank (collectively, the “Baron Personal Accounts”).

Moreover, the Receiver has learned of Receivership Assets being held at the following financial institutions in the name of Receivership Parties:

- NetBank (in the name of Compana LLC);
- Bank of America (in the names of Diamond Key, LLC and Manassas, LLC);
- Park Cities Bank (in the name of Novo Point, LLC and Quantec, LLC); and
- Las Colinas Federal Credit Union (in the name of Ondova Limited Company) (collectively, the “Baron Entities Accounts”).

The Receiver also has reason to believe that the following entities in the Cook Islands are holding Receivership Assets:

- SouthPac Trust Limited;
- The Village Trust;
- Quantec, LLC;
- Iguana Consulting, LLC;
- Novo Point, LLC;
- Quantec, Inc.; and
- Iguana Consulting, Inc. (collectively, the “Cook Islands Accounts”).

Finally, the Receiver has learned that the following internet domain name monetizers—in addition to Hitfarm.com—have relationships with Novo Point, Quantec, or other Receivership Parties:

- Netsphere;
- Namedrive;
- Firstlook;
- Parked;
- DDC.com;
- Domainsponsor.com;
- SEDO;
- Trellian; and
- Above (collectively, the “Revenue Sources”).

The Receiver expects Mr. Baron, Mr. Harbin, and Mr. Baron's lawyers (current and future) to continue to refuse to cooperate in the Receiver's efforts to access Receivership Assets.

So, the Receiver seeks the following relief from the Court:

- a clarification of the Receiver Order stating that Novo Point and Quantec were always subject to the Receiver Order and ordering that the Receiver be granted immediate access to the Compass Accounts and the revenue owed to Novo Point and Quantec from Hitfarm.com;
- an order giving him immediate, sole access to the Baron Personal Accounts, Baron Entities Accounts, and the Cook Islands Accounts;
- an order giving him immediate access and the right to divert funds derived from the Revenue Sources to a bank account of his choosing including an immediate, written instruction from Mr. Baron to Mr. Don Ham of Hitfarm.com instructing him to immediately divert all funds owed to Novo Point and Quantec to a bank account of the Receiver's choosing;
- an order compelling Mr. Baron to provide a sworn statement to the Receiver by 9 a.m. December 23, 2010, setting forth *inter alia* the 1) identification number and balance of any account owned by a Receivership Party, and 2) the location of any safety deposit box, mail box, or storage facility owned or controlled by a Receivership Party; and
- an order compelling Mr. Baron to provide his full tax returns for the years 2007-2010 to the Receiver by December 23, 2010, at 9 a.m.

c. The Court Should Clarify the Receiver Order to Allow for the Receiver to Attend to Mr. Baron's Medical Needs.

The Receiver Order grants the Receiver "full power" over Jeff Baron individually and to "make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order." At least one attorney, Mr. Schepps, for Mr. Baron has alleged in correspondence with the Receiver and in pleadings that Mr. Baron is in poor medical condition. Despite the Receiver's repeated inquiries of Mr. Baron and Mr. Schepps concerning Mr. Baron's medical needs, there is still no resolution

to this issue. Therefore, the Receiver seeks a clarification of the Receiver Order and an order requiring Mr. Baron to meet with the Receiver for the purposes of determining Mr. Baron's medical needs and establishing a joint bank account to allow for Mr. Baron to have access to funds to pay for medical expenses.

WHEREFORE, PREMISES CONSIDERED, the Receiver Peter S. Vogel respectfully requests that the Court clarify the Order Appointing Receiver and enter an order granting the Receiver all of the relief described above.

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

Peter L. Loh

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**ATTORNEYS FOR THE
RECEIVER, PETER S. VOGEL**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via the Court's ECF system on all counsel of record on December 15, 2010.

/s/ Peter L. Loh
Peter L. Loh

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,
MANILA INDUSTRIES., INC., AND
MUNISH KRISHAN

PLAINTIFFS,

V.

JEFFREY BARON AND
ONDOVA LIMITED COMPANY,

DEFENDANTS.

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CIVIL ACTION NO. 3:09-CV-0988-F

**APPENDIX IN SUPPORT OF THE RECEIVER'S REPORT CONCERNING MR.
BARON'S INTERFERENCE AND REPLY IN SUPPORT OF
MOTION TO CLARIFY RECEIVER ORDER**

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

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**ATTORNEYS FOR THE
RECEIVER, PETER S. VOGEL**

EXHIBIT A

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE DATE OF ENTRY IS
ON THE COURT'S DOCKET
TAWANA C. MARSHALL, CLERK

IN RE:

ONDOVA LIMITED COMPANY,
DEBTOR.

Case No. 09-34784-SGJ-11

NETSPHERE, INC., ET AL.,
PLAINTIFFS,

VS.

Civil Action No. 3-09CV0988-F

JEFFREY BARON, ET AL.,
DEFENDANTS.

REPORT AND RECOMMENDATION TO DISTRICT COURT

(JUDGE ROYAL FURGESON):

THAT PETER VOGEL, SPECIAL MASTER, BE
AUTHORIZED AND DIRECTED TO MEDIATE ATTORNEYS FEES ISSUES

The undersigned bankruptcy judge makes this Report and Recommendation to the Honorable Royal Furgeson, who presides over litigation related to the above-referenced bankruptcy case styled *Netsphere v. Baron*, Case # 3-09CV0988-F (the "District Court Litigation"). The purpose of this submission is: (a) to report the status of certain matters pending before the bankruptcy court, that are related to the District Court Litigation; and (b)

to recommend that His Honor appoint Peter Vogel, Special Master in the District Court Litigation, to mediate issues relative to attorneys fees that are further described below.

I. BACKGROUND.

The bankruptcy court has held four status conferences in recent weeks in connection with the above-referenced bankruptcy case (on September 15, 22, and 30, 2010 and October 8, 2010). The bankruptcy court has heard reports and evidence at each status conference regarding the extent to which the so-called "Global Settlement Agreement" has been consummated. The "Global Settlement Agreement" refers to the Mutual Settlement and Release Agreement approved by the bankruptcy court on July 28, 2010 [see Order at Docket No. 394]¹, involving, among other things: (a) dozens of parties, but primarily the Ondova bankruptcy estate (through Chapter 11 Trustee, Daniel Sherman), Jeffrey Baron, the Manilla/NetSphere parties, the Village Trust, the MMSK Trust, and various United States Virgin Island entities; (b) a split of a portfolio of internet domain names; (c) certain payments to the Ondova bankruptcy estate by Manilla/NetSphere and the Village Trust; (d) the settlement of more than a half-dozen lawsuits involving Ondova and/or Jeffrey Baron; and (e) a broad release of claims. While the bankruptcy court has heard positive statements

¹ All docket number references herein refer to the docket entry numbers on the PACER/ECF docket maintained in the *In re Ondova Limited Company* ("Ondova") bankruptcy case (Case No. 09-34784-sgj-11).

from the Chapter 11 Trustee indicating that there has been substantial consummation of the Global Settlement Agreement (i.e., payment of more than one million dollars of settlement funds to the Ondova bankruptcy estate by Manilla/NetSphere; payment of certain additional settlement funds to the Ondova bankruptcy estate from the Village Trust; dismissals of all lawsuits except for the District Court Litigation;² appointment of a successor Trustee and Protector over the Village Trust; steps toward transferring the so-called "Odd Names Portfolio" portion of the internet domain names to a new Registrar away from Ondova), the bankruptcy court has had lingering concerns at each of the status conferences regarding Jeffrey Baron's commitment to completing his obligations under the Global Settlement Agreement, and possibly taking actions to frustrate the Global Settlement Agreement. Part of the bankruptcy court's concerns in this regard have been fueled by the fact that Jeffrey Baron has continued to hire and fire lawyers for himself and certain entities that are parties to the Global Settlement Agreement (e.g., Quantec), and has instructed such lawyers to file pleadings—even after entry into the Global Settlement Agreement—

² The District Court Litigation, as well as the bankruptcy case of Ondova, remain open, so that there will be fora in which the parties can seek relief to enforce or interpret the Global Settlement Agreement. Additionally, there is remaining case administration needed in the Ondova bankruptcy case (namely, resolution and payment of claims—now that there are funds to pay creditors).

as though the matters resolved in the Global Settlement Agreement are far from over.

But the concern over the hiring-and-firing of lawyers is even more problematic than what the bankruptcy court mentions above. The bankruptcy court has had a growing concern that Jeffrey Baron's actions *may be exposing the Ondova bankruptcy estate to possible administrative expense claims* for amounts owed to attorneys that *Jeffrey Baron should pay or entities with which he is connected (Quantec, Village Trust, etc.) should rightfully pay*. To further explain, the court summarizes below some of what has occurred before and after the Global Settlement Agreement was reached.

II. THE CAVALCADE OF ATTORNEYS.

When Jeffrey Baron started hiring and firing lawyers shortly after the Global Settlement Agreement was reached, the bankruptcy court took judicial notice (at a September 15, 2010 status conference) that Jeffrey Baron and Ondova have had *dozens of sets of lawyers* in the past four years, since the litigation with Manilla/NetSphere and other parties commenced. At least the following lawyers have served as former counsel to Ondova and/or Jeffrey Baron in the litigation with Manilla/NetSphere that started in the state district court in Dallas County (before the next phase of litigation between the parties started in the District Court Litigation): (i) Mateer & Schaffer; (ii)

Carrington Coleman Sloman & Blumenthal; (iii) Bickel & Brewer; (iv) The Beckham Group; (v) The Aldous Law Firm; (vi) The Rasansky Law Firm; (vii) Fee Smith Sharp & Vitullo; and (viii) Friedman & Feiger.

Additionally, far more than a dozen attorneys' names were listed in Ondova's Bankruptcy Schedules (Schedule F—the list of pre-bankruptcy unsecured creditors of Ondova) as being owed significant sums of money by Ondova (not the least of which was the Carrington Coleman law firm, that filed a claim for \$224,233.27, and Bickel & Brewer which is scheduled as being owed \$42,500).

Fast forwarding to the post-bankruptcy time period, at least the following lawyers have become engaged by Jeff Baron or entities he directs (or is the ultimate owner/beneficiary of) *since* the Ondova bankruptcy case was filed: (i) Paul Keiffer (Wright, Ginsburg & Brusilow) for Ondova;³ (ii) Gerrit Pronske (Pronske & Patel) for Jeffrey Baron individually;⁴ (iii) Steven

³ Mr. Keiffer and his firm filed an application to be employed by Ondova on July 29, 2009 [Doc. No. 5], which application was granted by this court [Doc. No. 57]. Then, Mr. Keiffer moved to withdraw just a month-and-a-half later, on September 11, 2009 [Doc. No. 83], which the court granted on October 1, 2009 [Doc. No. 108].

⁴ Pronske & Patel moved to withdraw from representing Jeffrey Baron on September 7, 2010, after representing Mr. Baron for many months in the bankruptcy case [Doc. No. 419], citing nonpayment of more than \$200,000 of fees during the Ondova bankruptcy case, conflicts of interest—as Jeffrey Baron has now sued them—and also a concern that Jeffrey Baron may be engaging in fraudulent transfers. This request to withdraw was granted by the bankruptcy court [Doc. No. 449].

Jones for Jeffrey Baron individually;⁵ (iv) Gary Lyon for Jeffrey Baron individually;⁶ (v) Dean Ferguson for Jeffrey Baron individually;⁷ (vi) Martin Thomas for Jeffrey Baron individually;⁸ (vii) Stanley Broome for Jeffrey Baron individually;⁹ and (viii) James Eckles for Quantec.¹⁰ Several

⁵ Mr. Jones made a brief cameo appearance as criminal counsel to Mr. Baron during the Ondova bankruptcy case on September 11 and 28, 2009.

⁶ Attorney Gary Lyon, who has been representing Jeffrey Baron individually for many months in the bankruptcy court and District Court, recently requested to have attorney Martin Thomas substituted in his place or approved as co-counsel with him [see, e.g., Doc. No. 458]. For the first time, Mr. Lyon announced in September 2010 that he is only admitted to practice law in the State of Oklahoma, although admitted in the courts in the Northern District of Texas, and Mr. Lyon felt this was an ethical problem unless he associated with co-counsel (here, suggesting Martin Thomas).

⁷ Dean Ferguson appeared for Jeffrey Baron individually at one hearing in the Ondova bankruptcy case (on September 15, 2010) and said he had been representing Jeffrey Baron for some time in connection with out-of-court negotiations relating to the Ondova bankruptcy case, but he would not be seeking to go forward because of non-payment of fees.

⁸ Attorney Martin Thomas (who has newly filed a notice of appearance in the bankruptcy case) [Doc. No. 37, filed on September 14, 2010] seeks to be primary counsel now to Jeffrey Baron individually. The court signed an order on October 12, 2010 allowing Martin Thomas to represent Mr. Baron (with Gary Lyon) in the bankruptcy case.

⁹ Attorney Stanley Broome (who has newly sued Pronske & Patel for Jeffrey Baron in September 2010) has filed a notice of appearance for Jeffrey Baron in the bankruptcy case [Doc. No. 438, filed September 15, 2010].

¹⁰ Attorney James Eckles filed a notice of appearance for Quantec, LLC on September 21, 2010 [Doc. No. 450]. He has already filed a request that the court interpret part of the Global Settlement Agreement in a way that the court found unsupportable. His request was stricken. It appears to the bankruptcy court that Mr. Eckles is acting primarily for Mr. Baron, individually. He admitted that he had

lawyers have appeared for the Virgin Island entities of which Jeffrey Baron is the beneficiary including (i) Eric Taube (Hohmann, Taube & Summers), (ii) Hitchcock Everitt LLP, (iii) Craig Capua (West & Associates, LLP), and (iv) Shririg Jete Becket Tackett.

Jeffrey Baron's habit of hiring and then firing lawyers, in many cases after they have incurred significant fees on his or Ondova's behalf (or on behalf of other entities he controls or is beneficiary of), has grown to a level that is more than a little disturbing. As the court noted in court on September 15, 2010, at the very least, it smacks of the possibility of violating Rule 11 (i.e., it suggests a pattern of perhaps being motivated by an improper purpose, such as to harass, cause delay, or needlessly increase the cost of litigation for other parties). Still more troubling is the possibility to the court that Jeffrey Baron may be engaging in the crime of theft of services. See Texas Penal Code §§ 31.01(6) & 31.04 ("A person commits theft of service if, with intent to avoid payment for service that he knows is provided only for compensation: (1) he intentionally or knowingly secures performance of the service by deception, threat, or false token"; "services" includes "professional services"). This crime can be a misdemeanor or a felony—depending on the amount involved. If Jeffrey Baron is constantly engaging lawyers

represented Mr. Baron individually in another matter.

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without ever intending to pay them the full amounts that they charge, and then terminating them when they demand payment, this court is troubled that there are possibly criminal implications for Jeffrey Baron.

The bankruptcy court has announced that it will not allow this pattern to occur any further in these proceedings, and Jeffrey Baron will not be allowed to hire any additional attorneys. Mr. Baron has been told that he can either retain Gary Lyon and Martin Thomas through the end of the bankruptcy case (which this court does not expect to last much longer) or he can proceed *pro se*. The bankruptcy court has further warned Mr. Baron that if he chooses to proceed *pro se* and does not cooperate in connection with final consummation of the Global Settlement Agreement, he can expect this court to recommend to His Honor that he appoint a receiver over Mr. Baron, pursuant to 28 U.S.C. §§ 754 & 1692, to seize Mr. Baron's assets and perform the obligations of Jeffrey Baron under the Global Settlement Agreement.¹¹

III. RECOMMENDATION.

As alluded to above, the bankruptcy court's concerns over the above hiring and firing of lawyers by Mr. Baron is multi-faceted (e.g., Rule 11 implications; frustration of the Global

¹¹ The bankruptcy court is concerned that it would not have the power to appoint a receiver over Mr. Baron, due to language in section 105(b) of the Bankruptcy Code.

Settlement Agreement; possible criminal theft of services, etc.). But, at this juncture, the bankruptcy court is perhaps most concerned about the risk that the bankruptcy estate has and will be exposed to administrative expense claims as a result of Mr. Baron's behavior (e.g., claims occurring during the post-bankruptcy time period, with regard to which payment may be sought from the Ondova bankruptcy estate, and which claims would "prime" pre-bankruptcy unsecured claims). For example, the Pronske & Patel law firm has taken the position that they are owed and have not been paid approximately \$200,000 incurred representing Mr. Baron. Pronske & Patel may seek a "substantial contribution" administrative expense claim against the Ondova bankruptcy estate (see 11 U.S.C. §503(b)(3)(D) & (4), which contemplate that an administrative expense claim may be allowed for a creditor or professional for a creditor who makes a "substantial contribution" in a case under chapter 9 or 11 of this title). Pronske & Patel have already filed a counterclaim against Mr. Baron in an adversary proceeding Mr. Baron has filed against them. Similarly, certain law firms who have represented the Virgin Island entities of which Jeffrey Baron is the beneficiary (specifically, Hohmann, Taube & Summers, Hitchcock Everitt LLP, West & Associates, LLP, and Shrurig Jete Becket Tackett) have filed a Motion for Allowance of Attorneys Fees Pursuant to the Supplemental Settlement Agreement in the Ondova

bankruptcy case [Doc. No. 452, on September 21, 2010], which represents that they have incurred approximately \$150,000 in fees, after the execution of the Global Settlement Agreement, as a result of status conferences and Show Cause hearings involving Mr. Baron and his entities and that there are specific provisions of certain settlement documents that may permit them to seek a court order allowing these to be paid. If the Ondova bankruptcy estate is imposed with administrative expense claims from these or other attorneys (the risk of which appears to be genuine), then it should be entitled to a claim for reimbursement against Mr. Baron or the entity that incurred the fees. It was because of this risk—and also because of the risk that the bankruptcy court believed it might ultimately find Jeffrey Baron in contempt of the bankruptcy court's order approving the Global Settlement Agreement—that the court ordered on September 16, 2010 [Doc. No. 441] that the Village Trust be instructed by Jeffrey Baron to immediately remit \$330,000 to the Ondova Bankruptcy Trustee as a "security deposit" against these risks. Bankruptcy Trustee Daniel Sherman currently holds this \$330,000 of funds, pending further orders of the court.

The bankruptcy court now recommends that His Honor appoint his Special Master, Peter Vogel, to conduct a global mediation among Daniel Sherman, Jeffrey Baron, and the various attorneys who may make a claim to this \$330,000 of funds or otherwise may

assert an administrative expense claim against the Ondova bankruptcy estate, in respect of attorneys fees they incurred postpetition for services provided to Jeffrey Baron or entities he controls or is the beneficiary of, and which services may have provided a substantial contribution to the estate. This court has subject matter jurisdiction to make this recommendation, as there could conceivably be an impact on the Ondova bankruptcy estate, if attorneys who represented Jeffrey Baron and his related entities go unpaid and make "substantial contribution" claims against the bankruptcy estate. The bankruptcy court believes that some of these "substantial contribution" claims could be meritorious.

The bankruptcy court has been informed that Mr. Vogel agrees to perform a mediation and that he and Bankruptcy Trustee Sherman are prepared to recommend a format and structure for the mediation and for the participants. The bankruptcy court would defer to Mr. Vogel, Mr. Sherman, and His Honor with regard to the details of the mediation.

Dated: October 12, 2010

Respectfully submitted,


Stacey G. C. Jernigan
United States Bankruptcy Judge

EXHIBIT B

LOH, PETER

Sent from my iPad

Begin forwarded message:

From: Sid Chesnin <schesnin@hotmail.com>
Date: November 29, 2010 11:32:06 AM CST
To: "GOLDEN, BARRY" <bgolden@gardere.com>
Cc: Jeff Baron <jeffbaron1@gmail.com>
Subject: Jeff Baron's bare bones budget

Automobile/transportation: \$600 / month

Meals \$700 / month

Home utilities/maintenance/Dues \$500 /month

Medical: \$1200 / month

Insurance: (is corky continuing to pay this?)

Misc: \$400 month

Office supplies/equipment: \$200

Total \$3600/month

How about an Agreed Motion and Order to pay Baron \$3600 monthly on an agreed date? Or would a side letter work?

EXHIBIT C

LOH, PETER

From: Sid Chesnin [schesnin@hotmail.com]
Sent: Tuesday, November 30, 2010 8:24 PM
To: GOLDEN, BARRY
Subject: FW: My payments. Jeff Baron Receivership

You did not "clarify the order to include Quantec LLC and Novo Point LLC until November 30. I worked 6 more days for Quantec LLC and Novo Point LLC because of your negligence: Therefore my amended invoice is as follows:

Nov. 16-Nov. 30.
Quantec LLC=\$3900
Novo Point LLC=\$1000
Jeff Baron = \$52.60
Total=\$4952.60

If you choose not to pay this, I'll file a fee application with the Court.

From: schesnin@hotmail.com
To: bgolden@gardere.com
Subject: RE: My payments. Jeff Baron Receivership
Date: Tue, 30 Nov 2010 23:43:34 +0000

Sidney B. Chesnin
Attorney at Law
4841 Tremont, Suite 9
Dallas, Texas 75246
(214) 404-9193
(214) 827-0272
Tax I.D. 507-52-5076

INVOICE
For the Period Nov. 16 to Nov. 24, 2010

To Quantec LLC \$2080
To Novo Point LLC \$532
To Jeff Baron \$52.60
Total=\$2664

From: bgolden@gardere.com
To: schesnin@hotmail.com
CC: pvogel@gardere.com
Date: Tue, 30 Nov 2010 17:00:42 -0600
Subject: FW: My payments. Jeff Baron Receivership

Mr. Chesnin,

Please provide us with any invoices of work performed prior to the entry of the Order Appointing Receiver ("Receiver Order"). Once we resolve certain time-sensitive issues, we will review them.

The Order provides that "the Receiver shall immediately have the following express powers and duties: [t]o choose, engage, and employ attorneys." The Receiver has not chosen, engaged, or employed you as an attorney for the Receiver, Mr. Baron or for any of the other Receiver Parties. Thus, the Receiver will not approve any invoices for work performed after the time of the Receiver Order.

Barry Golden

From: Sid Chesnin [mailto:schesnin@hotmail.com]
Sent: Tuesday, November 30, 2010 4:19 PM
To: GOLDEN, BARRY
Subject: My payments. Jeff Baron Receivership

I have three attorneys fees contracts, copies attached. I began on November 26, 2010. Quantec and Novopoint were drawn formally into the receivership on November 30.

I am to be paid \$200 a month by Jeff Baron, \$7800 a month by Quantec LLC and \$2000 a month by Novo Point LLC.

My invoice for half a month of November is \$100 to Jeff Baron, \$3900 to Quantec LLC and \$1000 to Novo Point LLC.

My Tax I.D. is 507-52-5076
Sidney B. Chesnin
4841 Tremont, Suite 9
Dallas, Texas 75246
214-404-9193
214-827-0272 FAX

How do I go about getting paid for November and future months?

EXHIBIT D

LOH, PETER

From: Sid Chesnin [schesnin@hotmail.com]
Sent: Wednesday, December 01, 2010 7:01 AM
To: GOLDEN, BARRY
Cc: Jeff Baron
Subject: Jeff Baron Receivership

(1) What are you going to do about Mr. Baron's request for \$3600 living expenses per month? He can't use his credit cards, can't get money from his banks? You have refused to continue my engagement, leaving me to work pro bono and not for long. We need an answer today.

(2) Mr. Baron has been up all night gathering documents to produce. We are going to take the boxes to Mr. Baron's office at 2828 Trinity Mill Road, Suite 130, Carrollton Texas in my pickup truck. I would request that you send a courier upon my request to pick up the boxes and take them to you. Mr. Baron does not have the ability to pay a courier service because of your freeze. Please let me know at your earliest convenience if you will extend us the courtesy.

EXHIBIT E

LOH, PETER

From: GOLDEN, BARRY
Sent: Friday, December 03, 2010 12:14 PM
To: 'Sid Chesnin'
Cc: VOGEL, PETER; LOH, PETER; Jeff Baron
Subject: RE: hypothetical question re: Jeff Baron receivership

Mr. Chesnin,

As you know, the Receiver has not authorized the expenditure of Receiver Assets for any sort of "personal counsel" for Mr. Baron.

To respond to your question about "personal counsel" that is "funded by his friends," one of the Receiver's primary concerns about Mr. Baron retaining such counsel is that, in order to pay the "personal counsel," Mr. Baron would be unlawfully utilizing Receiver Assets not yet discovered by the Receiver.

I'm not sure who the hypothetical friends would be that would be providing the funds, and how the Receiver could be assured that the hypothetical friends were not utilizing Receiver Assets not yet discovered by the Receiver, but if you have some specific sources in mind, please let me know, and the Receiver will consider them (as well as the threshold issue of whether the Receiver Order even permits the possibility of independently-funded "personal counsel").

Barry Golden

From: Sid Chesnin [mailto:schesnin@hotmail.com]
Sent: Wednesday, December 01, 2010 7:32 AM
To: GOLDEN, BARRY
Subject: hypothetical question re: Jeff Baron receivership

If I were retained by a company with no connection to Jeff Baron, funded by his friends, to act as personal counsel to Jeff Baron, would that be permissible under the terms of the receivership order?

EXHIBIT F

GARY N. SCHEPPS

ATTORNEY & COUNSELOR

DRAWER 670804
DALLAS, TEXAS 75367

TELEPHONE 214-210-5940
FACSIMILE 214-347-4031

December 5, 2010

VIA FAX TO: 214-999-3391 and VIA EMAIL TO: bgolden@gardere.com

Mr. Barry M. Golden
Counsel for the Receiver
Gardere Wynne Sewell LLP
1601 Elm Street, Suite 3000
Dallas, Texas 75201

Re APPEAL IN: 3-09CV0988-F; *Netsphere, Inc., et al v. Jeffrey Baron, et al*

Barry,

Thank you for your kind letter. Your newfound concern for the comfort of Mr. Baron now that his treatment is being raised by an attorney—that he was warned by you he could be put in jail if he hired, is heartwarming. With respect to:

At the meeting, I'd like to discuss each and every one of the issues Mr. Baron raises in his affidavit. At the same time, I'd like us to begin working in conjunction so that we can (a) achieve the goals set forth in the Receiver Order, and at the same time, (b) provide Mr. Baron with a much higher level of comfort than he is obviously experiencing right now. As an example of the latter, I'd like to work with Mr. Baron to determine his financial needs for daily living and the best ways to get money to him.

I do not represent Mr. Baron with respect to those issues. I agreed to take on this case on a very limited basis, strictly relating to the appeal. I am willing to represent Mr. Baron with respect to dealing with the receiver, but, I have requested a \$50,000.00 up front, non-refundable retainer with a \$20,000.00 evergreen. In light of the global issues involved, I am sure you can understand.

Mr. Barry M. Golden
December 5, 2010
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Aside from that, I respectfully point out to you that the order is void *ab initio* for lack of subject matter jurisdiction, lack of due process, and as an unlawful order in violation of the US constitution. You and I both swore an oath to uphold the U.S. Constitution. Am sure when the time comes, you will have the opportunity to explain how you participated in such a gross deprivation of an individual's constitutional rights under color of Federal law. The Federal law is very clear. The receivership is unlawful. You and your firm are squarely on notice of the law, and the harm you are doing to Mr. Baron. Beyond that, obviously you all will choose how you proceed. Informing the judge that the receivership is unlawful or unconstitutional would seem a primary duty of a receiver, but then again, I have not researched your duties in that respect.

I am not retained to handle it, and I mention it only to encourage you to act very swiftly. In handling of the affairs of the companies, freezing their bank accounts, you all have caused already the loss of their ability to pay the maintenance costs on thousands of their assets, representing present losses in the millions. I do not understand your actions, but again, that is well beyond the scope of my retention.

My hope is the District Court will vacate the order on Monday. I think that would be the best for *everyone* involved.

Yours truly,



Gary N. Schepps

EXHIBIT G

From: GOLDEN, BARRY
Sent: Wednesday, December 08, 2010 10:56 AM
To: 'Gary Schepps'
Subject: RE: Re[10]: Baron appeal - Response to your email

Gary,

Like I said, I'll provide you whatever information you need. Everything we do is transparent. Your questions, however, are pretty general—which is why I keep suggesting that we talk about this in person or over the phone first, and figure out exactly what you need to know, so I can help you get the information you request.

That being said, here is my attempt at answering your questions.

1. With respect to your first question of “your understand as to the purpose of the receivership,” are you directing the question to Peter Vogel or me, personally? Either way, I'd probably need to refer you to pages 6 – 8 of the Receiver Order, and specifically, paragraphs A – O. As you will see, there are a number of purposes of the receivership. To pick one as an example, one of the purposes of the receivership is “[t]o investigate, conserve, hold, and manage all Receivership Assets, and perform all acts necessary or advisable to preserve the value of those assets in an effort to prevent any irreparable loss, damage or injury to consumers or to creditors of the relevant Receivership Party including, but not limited to, obtaining an accounting of the assets, and prevent transfer, withdrawal or misapplication of the assets.” There are, of course, many other purposes set forth in paragraphs A – O.
2. With respect to the list of Mr. Baron's assets “that you have seized,” I again don't know if you are directing the question to Peter Vogel or me. And I don't necessarily believe that we have “seized” anything. I understand that the Receiver acted in accordance with the second paragraph on page 12 of the Receiver Order, including providing instructions to certain banks to freeze certain accounts temporarily. We are working on preparing a full list of accounts (as is one of the purposes of the receivership, which I described above), and once completed, we will be happy to share that list with you. If there is anything more specific you are looking for than what I've told you, please let me know.

3. With respect to the accounting of receivership fees to date, we intend to file a statement with the Court and serve you with a copy. The statement will include, for example, payments to Mr. Baron for daily-living expenses, rent, and any other expenses that the Receiver has authorized. But I might be misinterpreting what you mean by “receivership fees,” so you might need to clarify, and then I can see if there is a precise number I can get you.

Barry Golden
Counsel for the Receiver

From: 'Gary Schepps' [mailto:legal@schepps.net]
Sent: Tuesday, December 07, 2010 5:33 PM
To: GOLDEN, BARRY
Subject: Re[10]: Baron appeal - Response to your email

Barry,

I was not aware of, nor were my comments directed to anyone's religion. Since you mentioned you are Jewish, let me invite you to come with me to Torah study next Monday evening. There is a good size group at 8:15, and I'll introduce you to Rabbi Abrams, my study partner. There is nothing like learning Torah together that can't cut through any perceptions of animosity.

As for the information I requested, how about just e-mailing it to me.

Yours truly,

Gary Schepps

Tuesday, December 7, 2010, 2:32:13 PM, you wrote:

Gary,

I am a bit stunned by your comment that “[t]he ‘i am only following orders’ routine hasn't played well in 60 years.” I assume your reference is to the Nuremberg Tribunal.

It appears that you are accusing me—someone of the Jewish faith, in case you couldn't tell from my last name—of acting like a Nazi because I am complying with the Receiver Order issued by Judge Furgeson. And to extend your metaphor, if I am doing the 60-year-old-Nazi routine by following Judge Furgeson's Order, who, from the Nazi era of 60 years ago, are you analogizing Judge Furgeson to be?

I'll just write off your comment to the notion that the medium of e-mail all too often leads to hastily- or careless-crafted messages. Indeed, e-mailing with you is certainly not a productive way for us to proceed.

So, let's you and I meet in person right now. You can call me all the names you want to my face and vent all of your frustrations. And if Mr. Baron wants to come, he can yell at me as well and make all the comments he wants about my ethics and duties. And then, not taking your conduct (or Mr. Baron's conduct) personally, and recognizing the stress that both Mr. Baron and you are obviously under, **I will provide you both with all of the information you need.**

My office is at 1600 Thanksgiving Tower, Suite 2900. When you arrive, ask for me, and I'll meet you in the reception area (and I'll even pay out of my own pocket to validate your parking). How does 3:00 p.m. sound?

Barry Golden
Counsel for the Receiver

From: 'Gary Schepps' [mailto:legal@schepps.net]
Sent: Tuesday, December 07, 2010 2:01 PM
To: GOLDEN, BARRY
Subject: Re[8]: Baron appeal - Response to your email

BARRY,

Unprofessional, abusive, acrimony, harassment ?

You took an oath to uphold the Constitution, and you think it is acceptable to threaten somebody that if they dare to hire an attorney to seek relief from your unlawful seizure of their property that you will have them found in contempt and thrown in jail ?

Then, when an attorney does represent them, even in the most limited capacity, you insist in making personally directed accusations-- accusations of *harassment, abuse*.

You've made very clear that Mr. Baron's access to information from you about his own affairs is dependent upon your personal whims, or upon legal counsel to file papers to compel your response. Since your firm grabbed his money to prevent him from hiring counsel to do that, that pretty much leaves it to your whims.

I again ask that you provide the information requested. The 'i am only following orders' routine hasn't played well in 60 years. As attorneys we have an ethical and

legal duty with respect to unlawful and unconstitutional orders issued without due process of law. If you find these duties a harassment, you should never have taken the oath to uphold the Constitution.

You seem like a very nice person on a personal level, and my deep concerns with what has occurred are strictly on a professional level. If you have some theory of how the District Court had subject matter jurisdiction to enter the order, or how in light of a century of Supreme Court precedent on the issue, the order could be issued without prior opportunity to be heard, please tell me. I am certainly open to your thoughts on those issues.

Yours truly,

Gary Schepps

Tuesday, December 7, 2010, 8:52:15 AM, you wrote:

Gary,

Since Sunday, you have sent me repeated correspondence ranging from unprofessional to downright abusive.

I'm not sure why I have become the target of your acrimony. I assume (and hope) you are not likewise harassing the Trustee—the party that moved for the Receiver Order. I assume (and *really* hope) you are not likewise harassing the Honorable Royal Furgeson—the Judge who entered the Receiver Order. Rather, you have been constantly spewing vitriol at me—an attorney whom the Receiver retained to assist him in complying with Judge Furgeson's order. Why? Was it because I asked to meet with you about the best way to get daily-living expenses to Mr. Baron, since I was concerned about the statements you told the Court about his need for urgent medical care?

I'm not sure why you need answers to your questions below, especially given what you've characterized as your extremely limited role relating solely to appellate-legal issues.

Notwithstanding, I remain ready and willing to meet with you and/or Mr. Baron, and provide the best answers I can give him. I will make myself available for such a meeting whenever you want and wherever you want.

Perhaps if you will meet with me face to face, you (and Mr. Baron) will stop demonizing me, and we can move to the next step of exchanging information and hopefully helping Mr. Baron's level of comfort. If you want to meet with me, please call me at 214.999.4746 (office) or 214.893.9034 (mobile). If you want to talk to me on the phone, that is fine too. I

will not, however, engage in any further unproductive e-mail exchanges with you—where you will continue to hurl personal insults at me through the veil of your computer.

If you need what appear to be responses to interrogatories, to the extent that I am under an obligation to respond, I will do that formally through whatever discovery process is appropriate under the Rules and the Receiver Order.

Barry Golden
Counsel for the Receiver

From: 'Gary Schepps' [mailto:legal@schepps.net]
Sent: Tuesday, December 07, 2010 8:03 AM
To: GOLDEN, BARRY
Subject: Re[6]: Baron appeal - Response to your email

Barry,

This is to confirm that the receiver is refusing to provide the following information:

1. Your understanding as to the purpose of the receivership.
2. A list of Mr. Baron's assets that you have seized.
3. An accounting of the receivership fees to date.

Yours truly,

Gary Schepps

Monday, December 6, 2010, 4:47:54 PM, you wrote:

Gary,

Thanks for your correspondence. I disagree with the numerous accusations you continue to make on me personally.

I understand that you are not the right person with whom I should be communicating about getting money to Mr. Baron for daily-living expenses.

Best regards,

Barry Golden
Counsel for the Receiver

From: 'Gary Schepps' [mailto:legal@schepps.net]
Sent: Monday, December 06, 2010 2:25 PM
To: GOLDEN, BARRY
Subject: Re[4]: Baron appeal - Response to your email

Barry,

Angry ?

My concern has been getting money to Mr. Baron to relief some degree of his stress level and allow him to feel some degree of control over his life. He is unable to control his blood sugar level and needs to be able to go to the doctor, and he wants to have a nurse come and help him deal with his situation.

However, the scope of my representation is limited to the appeal. I have not researched Mr. Baron's rights with respect to you and the asserted receivership. If the District Court lacks subject matter juris., as appears to be the case, the order is void ab initio.

If that is the case, and you are attempting to exercise control over Mr. Baron's property with no legal authority or right to do so, the situation is obviously quite serious. There are so many irregularities with respect to the purported receivership, that many issues are raised.

Somebody needs to be working on Mr. Baron's behalf to research the issues and give him good legal advice. I would be happy to do that, but again, I need to be retained for that. At this point Mr. Baron is 'prohibited' from hiring counsel and you've seized his money.

Mr. Baron has a right to privacy with respect to his medical care. He has a right to spend his money as he chooses. You can't even articulate the purpose of the "receivership". What exactly is your purpose ? Why not just release 50,000 or 100,000 of Mr. Baron's own money to him ?

Also, would you provide me with a list of the assets that you all have seized ? Is it also possible to see an accounting of what the receivership fees are so far ?

Yours truly,

Gary Schepps

Monday, December 6, 2010, 9:18:24 AM, you wrote:

Gary,

Each piece of correspondence you send me is angrier than the last and riddled with unprovoked *ad hominem* attacks. What happened since we talked on Friday?

My concern since Friday has been getting money to Mr. Baron for his daily-living expenses, including what I understood from the affidavit to be urgent medical care. The reason I reached out to you was because *you* are the person who submitted the affidavit to the Court and thus, *you* presumably have some knowledge about those topics. Your correspondence, however, makes it clear that you don't want to speak with me about getting money to Mr. Baron for daily-living expenses, including what you told the Court was the need for urgent medical care.

If you change your mind and do wish to speak with me about Mr. Baron's daily living expenses, I again remind you that I am more than willing to come to your offices and speak with you and/or Mr. Baron—and whenever you want. I also gave you my office number (214.999.4746) and cell number (214.893.9034) in case you would prefer to speak solely by telephone.

By copy to Mr. Baron, please let me know if you will speak with me about the best way to get you money for daily-living expenses, as well as the issues you raise in your affidavit.

Regards,

Barry Golden
Counsel for the Receiver

From: Gary Schepps [mailto:legal@schepps.net]
Sent: Monday, December 06, 2010 8:49 AM
To: GOLDEN, BARRY
Subject: Re[2]: Baron appeal - Response to your email

Barry,

I note that it was you who requested to meet, not the reverse.

As I have explained to you, I do not represent Mr. Baron for anything beyond the appeal of the receivership. I have not researched his personal rights and obligations with respect to a legally void receivership order and accordingly am not in any position to give him advise regarding those issues.

Mr. Baron wants to be represented by legal counsel. I would be more than happy to represent him and invest the time necessary to determine his rights and obligations with respect to the asserted receivership so that I can give him competent legal advice and protect his interests. I need to be retained to do that. You have taken Mr. Baron's money and are preventing him from receiving legal counsel.

You seem to be playing games, and maybe this is all just funny to you. It is not funny to me, and not to Mr. Baron. He is ill. The stress of what you are doing is causing physical damage to his body. You have effectively incarcerated him in Dallas.

If you want to relax some of Mr. Baron's stress level, get him some cash. Get him \$20,000.00 or \$50,000.00 of his own money so he can have some independence and can start to hire lawyers that he is going to need to protect his interests and enforce his rights.

If you want to talk about an agreement to stay the receivership order and return Mr. Baron's property and civil rights to him until the Fifth Circuit can rule on the legality and constitutionality of the receivership order, I am very happy to do that.

Yours truly,

Gary Schepps

Sunday, December 5, 2010, 4:33:35 PM, you wrote:

GB> Gary,

GB> Not sure why you sent me a letter laced with such sarcasm and

GB> hostility. Â I thought we had a pleasant conversation on Friday.

GB> You thanked me and suggested we meet on Monday. Â What happened?

GB> Do you not want to meet with me on Monday to attempt to resolve

GB> the issues contained in Mr. Baron's affidavit? Â Does Mr. Baron? Â

GB> Barry Golden

GB> Sent from my iPad

GB> On Dec 5, 2010, at 4:27 PM, "Gary Schepps" <legal@schepps.net> wrote:

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>> <JEBAJB } CORRESPONDENCE } ATTORNEY } To Barry Golden response
>> } 2010_12_05_16_19_29.pdf>

EXHIBIT H

LOH, PETER

From: GOLDEN, BARRY
Sent: Monday, November 29, 2010 5:26 PM
To: 'Joshua Cox'
Cc: VOGEL, PETER; 'Urbanik, Raymond'; corky@syllp.com; 'james eckels'; 'Jeff Harbin'
Subject: RE: URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10

Mr. Cox,

You are correct that earlier today, we met with Mr. Eckels, and Mr. Eckels provided us with information and documents. Mr. Eckels is also continuing to provide us with additional information. Whether what we've received or are going to receive from Mr. Eckels constitutes or will constitute "all documents and information requested," we don't know yet. But we can say that Mr. Eckels was extremely cooperative and responsive, and we definitely appreciated his assistance today.

Regarding the transfer of domain names to Fabulous.com, we are still in the process of making determinations as to how we will proceed. But we understand the time sensitivity of the matter.

Barry Golden

From: Joshua Cox [mailto:j.cox.email@gmail.com]
Sent: Monday, November 29, 2010 3:56 PM
To: GOLDEN, BARRY
Cc: VOGEL, PETER; 'Urbanik, Raymond'; corky@syllp.com; 'james eckels'; 'Jeff Harbin'
Subject: RE: URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10

Mr. Golden,

As you know I represent Novo Point LLC. I would like to confirm that you have received all documents and information requested. I understand you have already met with my colleague, James Eckels, counsel for Quantec LLC, who provided you with them.

Further, I would like to know as soon as possible whether you are going to approve the transfer of domain names to Fabulous.com which is currently scheduled to be effectuated tomorrow, November 30, 2010 by ICANN and VeriSign. I think as James communicated that allowing the transfer to be completed is in the best interests of all interested parties.

If there is anything further I can do to assist, please let me know.

Regards,

Joshua Cox
682.583.5918

From: GOLDEN, BARRY [mailto:bgolden@gardere.com]
Sent: Sunday, November 28, 2010 1:18 PM
To: 'j.cox.email@gmail.com'
Cc: VOGEL, PETER; 'Urbanik, Raymond'; 'corky@syllp.com'
Subject: URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10

Dear Mr. Cox,

As you are aware, on November 24, 2010, the Court issued an *Order Appointing Receiver* in the matter *In re: Ondova Limited Com, Case No. 3:09-cv-0988, in the United States District Court for the Northern District of Texas, Dallas Division* (the "Order") (and for your convenience, I am reattaching a copy of the Order to this e-mail). In the Order, the Court appointed Peter Vogel as Receiver. I am counsel for the Receiver.

The Order provides, among other things, that you, as someone whom the Receiver believes has information and documents related to one or more of the Receivership Parties, Receivership Assets, and Receivership Documents [terms that are all defined in the Order] shall ***immediately*** provide the Receiver with a statement including the following:

1. *The identification number of each account or asset titled in the name, individually or jointly, of any Receivership Party, or held on behalf thereof, or for the benefit thereof, including all trust accounts managed on behalf of any Receivership Party or subject to any Receivership Party's control;*
2. *The balance of each such account, or a description of the nature and value of such asset;*
3. *The identification and location of any safe deposit box, commercial mail box, or storage facility that is either titled in the name, individually or jointly, of any Receivership Party, whether in whole or in part; and*
4. *If the account, safe deposit box, storage facility, or other asset has been closed or removed, the date closed or removed and the balance of said date.*

(collectively, the "Account Information"). The Order further provides, among other things, that you shall ***immediately*** provide the Receiver with the following:

Copies of all records or other documentation pertaining to each such account or asset, including, but not limited to originals or copies of account applications, account statements, corporate resolutions, signature cards, checks, drafts, deposit

tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs[.]

(collectively, the "Account Documents"). The Receiver has an ***urgent*** need for this Account Information and Account Documents (collectively, the "Requested Materials"). Thus, the Receiver hereby instructs you to provide the Requested Materials to me (at the address identified at the bottom of this e-mail) ***no later than 11:00 a.m. (Central) on November 29, 2010*** (the "Receiver Request").

FAILURE TO COMPLY FULLY AND TIMELY WITH THE RECEIVER REQUEST SHALL BE GROUNDS FOR A MOTION FOR CONTEMPT OF THE RECEIVER ORDER.

Separately, I will be in contact with you at a later time about further information or documents that the Receiver also requires (*i.e.*, aside from and in addition to the Requested Materials).

If you have any questions, please e-mail or call me.

Barry M. Golden | Counsel for the Receiver
Gardere Wynne Sewell LLP

1601 Elm Street, Suite 3000 | Dallas, TX 75201
214.999.4746 direct
214.999.3446 fax

LOH, PETER

From: GOLDEN, BARRY
Sent: Tuesday, November 30, 2010 5:04 PM
To: 'Sid Chesnin'
Cc: 'Jeff Baron'; VOGEL, PETER
Subject: RE: List of claimants and amounts: amount seized from Jeff Baron's accounts

Mr. Chesnin,

Following up my prior e-mail to you (attached), the Receiver is under no obligation to provide you materials.

You, on the other hand, are under an obligation to provide the Receiver with materials—and what you have provided the Receiver to date has been greatly deficient. By separate correspondence, we will address those deficiencies.

Barry Golden

From: Sid Chesnin [mailto:schesnin@hotmail.com]
Sent: Tuesday, November 30, 2010 4:47 PM
To: GOLDEN, BARRY
Cc: Jeff Baron
Subject: List of claimants and amounts: amount seized from Jeff Baron's accounts

If as I suspect, taken with the \$343,000 from Village Trust in escrow in the bankruptcy court, the amount of claimants' claims is far below the amount seized from Jeff's accounts, we should consider placing a satisfactory amount in Court escrow to cover all of the claims including attorney's fees, and the Receiver's fees and Receiver's attorneys fees, dissolve the receivership and go back to the mass mediation that was about to start.

Please provide me with a complete list of claimants and amounts and the amount seized from Jeff's accounts. Thank you.

LOH, PETER

From: GOLDEN, BARRY
Sent: Tuesday, November 30, 2010 5:12 PM
To: 'Sid Chesnin'
Cc: VOGEL, PETER
Subject: RE: Jeff Baron's financil material

Mr. Chesnin,

We will comply with the Order Appointing Receiver. And we will expect full and immediate compliance with our requests for information and documentation.

Barry Golden

From: Sid Chesnin [mailto:schesnin@hotmail.com]
Sent: Tuesday, November 30, 2010 5:00 PM
To: GOLDEN, BARRY
Subject: Jeff Baron's financil material

Will you agree to treat them as confidential? We can work out a stipulation or agreed protective order.

LOH, PETER

From: GOLDEN, BARRY
Sent: Tuesday, November 30, 2010 5:17 PM
To: 'Sid Chesnin'; 'Jeff Baron'
Cc: VOGEL, PETER
Subject: RE: An administrative assistant to help Jeff Baron sort out his documents
Attachments: URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10; URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10

Mr. Chesnin and Mr. Baron,

These are materials that should have been provided to the Receiver by 11:00 a.m. on November 29, 2010. If you do not immediately provide these materials to us, we will have no choice but to move for contempt of the Receiver Order.

The Receiver declines Mr. Baron's request for an administrative assistant.

Barry Golden

From: Sid Chesnin [mailto:schesnin@hotmail.com]
Sent: Tuesday, November 30, 2010 3:02 PM
To: GOLDEN, BARRY; Jeff Baron
Subject: An administrative assistant to help Jeff Baron sort out his documents

Jeff Baron is concerned that his condominium full of opened and unopened bank statements going back years and years need to be copied and turned over ASAP and any additional assets, if located, identified. (A) do you really want them, since this is not a fraud investigation, just a pre-judgment garnishment, and (B) if you do, Jeff needs a helper at \$20 per hour for 40 hours=\$800, If you approve, we'll get an I-9 from the helper, and you can pay her direct.

EXHIBIT I

LOH, PETER

From: Joshua Cox [mailto:j.cox.email@gmail.com]
Sent: Wednesday, December 01, 2010 11:57 AM
To: GOLDEN, BARRY
Cc: 'Jeff Harbin'
Subject: invoice--Novo Point LLC

Mr. Golden, Mr. Harbin,

Attached is the invoice for the latter half of November. Thanks for the opportunity to assist!

Please make checks payable to:
Joshua E. Cox
PO BOX 2072
Keller TX 76244

Wire Instructions:
Routing info
JPMorgan Chase
Dallas 75201
Routing—111000614
Acct.—793904194
Joshua E. Cox

Regards,

Joshua Cox
682.583.5918

DATE	TIME	DETAIL
11/16/10	1.50	Receive and review email from C. Libbey re potential domain purchase. Receive and review multiple emails from J. Eckels re portfolio transfer, programmer issues, related matters. Review ICANN policy on inter-registrar transfers.
11/17/10	0.50	Review trustee's Motion to Terminate ICANN Accreditation. Receive and review update email from J. Eckels re hearing on same. Receive and review multiple emails from D. Nelson re recent UDRP decisions.
11/18/10	0.75	Receive and review email from J. Eckels re Ondova de-accreditation, related matters. Receive and review multiple emails from D. Nelson re potential domain name disputes.
11/19/10	0.75	Receive and review email from P. Wall re NameMedia data. Receive and review multiple emails from J. Eckels re status of de-accreditation. Review Ondova letter to ICANN re de-accreditation.
11/22/10	1.50	Receive and review email from D. Nelson re domain dispute. Research files re domain. Internet research re trademark owner. Draft email to J. Harbin, J. Eckels re same.
11/24/10	3.50	Telephone conference with J. Eckels re portfolio transition, related matters. Receive and review email from D. Nelson re domain dispute. Begin review WIPO complaint re <i>korresproducts.com</i> . Receive and review emails from P. Vogel, J. Eckels, T. Ponia re receivership. Review order appointing receiver. Review research materials re receivership, related matters.
11/28/10	0.25	Receive and review email from B. Golden re receivership requests, related matters.
11/29/10	6.25	Email to J. Harbin, J. Eckels re receivership requests, order appointing receiver, related matters. Research PACER docket re <i>Ondova v. Netsphere</i> litigation, Ondova bankruptcy. Review multiple motions and filings in <i>Netsphere</i> litigation. Telephone call to J. Harbin. Telephone call to B. Golden. Telephone conference with J. Eckels re receivership, scheduled portfolio transfer, Garrey lawsuit, related issues. Email to B. Golden re receivership documents. Email to J. Harbin, J. Eckels re Garrey lawsuit. Continued review documents and filings in <i>Netsphere</i> litigation. Begin research causes of action alleged in B. Garrey lawsuit.

11/30/10	6.75	Receive and review email from J. Harbin re VeriSign emergency motion, hearing on same. Telephone conference with J. Eckels re VeriSign emergency motion, hearing on same, related matters. Telephone conference with J. Eckels, J. Harbin re VeriSign emergency motion, hearing on same, related matters. Attendance at telephone hearing on VeriSign emergency motion. Telephone conference with J. Eckels re hearing on VeriSign motion, bulk transfer, related matters. Email to J. Eckels and J. Harbin re receivership, related matters. Continued review documents and filings in Netsphere litigation.
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Total: 21.75

Amount

Due: \$2,718.75

Thank you!

/s/

Joshua E. Cox

EXHIBIT J

LOH, PETER

From: Joshua Cox [mailto:j.cox.email@gmail.com]
Sent: Monday, December 06, 2010 9:29 AM
To: Salomon.Amy@ARENTFOX.COM
Cc: GOLDEN, BARRY
Subject: RE: (CHI) - Unauthorized use of Intellectual Property (026861.02518)

Mr. Salomon,

I represent the owner of the names at issue. A Receiver was appointed over all of the Receivership Assets, including these names, on November 24. The Order enjoins any transfer or sale of names without express approval from the Receiver; I have attached a copy of the Order for your review.

By copy of this email I am notifying the Receiver's attorney, Barry Golden, of this matter. If you could be so kind as to forward us a copy of the settlement agreement it might facilitate resolution.

Regards,

Joshua Cox
682.583.5918

From: Salomon, Amy [mailto:Salomon.Amy@ARENTFOX.COM]
Sent: Friday, 3 December 2010 12:30 p.m.
To: Tine Faasili Ponia
Subject: (CHI) - Unauthorized use of Intellectual Property (026861.02518)

Dear Ms. Ponia,

My firm represents Choice Hotels International, Inc. ("Choice") in matters pertaining to intellectual property. Our client owns federal registrations for the well-know trademarks COMFORT INN, COMFORT SUITES, CLARION, CHOICE PRIVILEGES, ECONO LODGE, MAINSTAY SUITES, RODEWAY INN, SLEEP INN, SUBURBAN EXTENDED STAY, and QUALITY INN, among others (collectively, the "Choice Marks").

We previously worked with John Morant Cone of Hitchcock Evert LLP to facilitate the transfer of the following infringing domains to Choice: comfortcuites.com, comforttinn.com, clarianhotels.com, choicemyrewards.com, choiceprevilages.com, choiceprivilliege.com, economotel.com, mainstaypiegeonforge.com, qualityhinn.com, roadwayinnpensacola.com, roadway-inn.com, roadwayinnhotels.com, roadwayinnordlando.com, fayetteville-sleep-inn.com, suburbanlodging.com, suburbansuites.com, suburbanpinesmotel.com, and grandcanyonqualitysuites.com. We signed a settlement agreement with Mr. Cone on June 22, 2010 in which Mr. Cone agreed to transfer the listed domains to Choice. Mr. Cone subsequently informed us that the domains could not be transferred until resolution of a Bankruptcy Court proceeding involving Ondova Limited Company.

We understand from Mr. Cone that you have taken over this matter. Our client is eager to resolve this matter quickly and amicably. Please unlock the listed domains, and any other domains controlled by your client that infringe the Choice Marks, and provide the transfer authorization codes. If transfer of the domains is currently prohibited by court order, please include a copy of the court order and explain whether a receiver has been appointed to handle third-party trademark claims and when you expect the domains to be available for transfer.

We look forward to your response so we can bring this matter to a prompt and amicably resolution.

Regards,
Amy Salomon

Amy Salomon
Attorney

Arent Fox LLP | Attorneys at Law
1050 Connecticut Avenue, NW
Washington, DC 20036-5339
202.857.6015 DIRECT | 202.857.6395 FAX
salomon.amy@arentfox.com | www.arentfox.com

Admitted only in Maryland.

Supervised by principals of the firm.

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EXHIBIT K

LOH, PETER

From: james eckels [mailto:jamesmeckels@gmail.com]
Sent: Tuesday, December 07, 2010 12:04 PM
To: GOLDEN, BARRY
Cc: system.quasar; Mike Robertson; Joshua Cox; Jeff Harbin; LOH, PETER
Subject: Request for Approval - TIME SENSITIVE

Barry:

Following up with my message of yesterday. Please obtain approval to NOT renew the attached list of names, which will save approximately _____ in registration renewal fees. The attached list is comprised of names that earn less than _____ - they don't pay for they're registration fee and are a drain on the portfolio.

Quantec LLC strongly recommends the Receiver's approval to this request and we are running out of time to make sure they are deleted and that the other names are renewed, as indicated in Fabulous.com's various e-mails regarding "grace" and "redemption grace" periods.

Thanks,

James

----- Forwarded message -----

From: system.quasar <system.quasar@gmail.com>
Date: Tue, Dec 7, 2010 at 11:48 AM
Subject: Re: Some November Names Showing as "Account Suspended" - Will this be rectified?
To: Mike Robertson <m.robertson@fabulous.com>
Cc: james eckels <jamesmeckels@gmail.com>, Jeff Harbin <jeff@jeffharbin.com>, Joshua Cox <j.cox.email@gmail.com>, "GOLDEN, BARRY" <bgolden@gardere.com>

Mike,

Attached is a list of domains we would like to be deleted. These domains have expiration dates between November 1-10. Once this deletion is approved by the Receiver, you may proceed with the operation.

Thank you.

-Peter

On 10-12-07 6:38 AM, james eckels wrote:
Thanks, Mike. Yes, please start copying Barry Golden, counsel for the Receiver.

James

On Tue, Dec 7, 2010 at 12:12 AM, Mike Robertson <m.robertson@fabulous.com> wrote:

Hi all,

I've just talked to our Tech team and they have told me the following:

If a quasar domain is marked to be autorenewed, then it will be autorenewed as normal if funds are available.

quasar timeline:

On day of expire nothing happens, domain remains active. Between the 40th and 44th day after expiring, domain will be deleted only if marked to be deleted. After 45 days, domain is automatically renewed.

So basically this will prevent any of your domains from going into Redemption. HOWEVER, it means you need to send us a list of domains that you want to DROP prior to day 40, so we can have them marked for deletion.

If I should be including the Receiver on these emails, please let me know and I will add them to the cc list.

Cheers,

Mike

Mike Robertson
Business Development Manager

Fabulous.com
Dark Blue Sea
Suite 2, 47 Warner St
Fortitude Valley, QLD 4006
AUSTRALIA

Phone: +61 7 3007 0042
Fax: +61 7 3007 0075
Email: mike@fabulous.com
IM: mikefabulous (Skype)
m.robertson@fabulous.com (Windows)

 [LinkedIn profile](#)

This e-mail and any files transmitted with it are confidential. If you are not the intended recipient, you may not disclose or use the information in this e-mail in any way. If you have received this e-mail in error, please notify the sender immediately. The sender of this e-mail is not responsible for any damage or loss of data that may result from the use of this e-mail. This e-mail and any files transmitted with it are confidential and may be subject to legal privilege. If you are not the intended recipient, you should not disseminate, distribute or take any action in reliance on the contents of this information. If you have received this e-mail in error, please notify the sender immediately by e-mail. If you are not the intended recipient, you should not disseminate, distribute or take any action in reliance on the contents of this information.

From: Mike Robertson [mailto:m.robertson@fabulous.com]

Sent: Monday, 6 December 2010 9:15 AM

To: 'system.quasar'

Cc: 'james eckels'; 'Jeff Harbin'; 'Joshua Cox'

Subject: RE: Some November Names Showing as "Account Suspended" - Will this be rectified?

Importance: High

Hi Peter,

Thanks for the email, hope you had a good weekend.

So just to confirm, the attached list of domains are those you DO NOT wish to have renewed. And all other domains expiring in November you want us to renew on your behalf?

Upon receipt of your confirmation, I will have the Tech guys process these renewals in bulk for you.

Just so you know, those that aren't renewed, will follow the normal drop cycle, going to Redemption, Pending Delete and then back to the available pool of domains.

In response to your other questions/concerns:

- The Tech team are running a script to allocate the domains to your "quasar" account. When Verisign performed the bulk push, the domains just ended up in out registrar, so they had to create a script to push them to your account. As you can imagine, with the size of the portfolio, it's going to take some time. As it is now, there are 193,686 in the account. I would imagine the full list will be in by the end of the day (Brisbane time).
- I have requested that the Tech team put the registrar lock on those domains that have a status of "Ok". I've marked this as a high priority job and expect them to complete it ASAP.

- Verisign mentioned that [redacted] was not included in the bulk transfer as it already had a status of "Pending Transfer". See email from Verisign attached. It might be best to just perform a manual transfer of this domain. Let me know if you need assistance with this.
- There is work being done on the API. I'll have to chase up the Tech team for an update.

Let me know about the November domains and I'll get this actioned ASAP.

Cheers,

Mike

Mike Robertson
Business Development Manager

Fabulous.com
Dark Blue Sea
Suite 2, 47 Warner St
Fortitude Valley, QLD 4006
AUSTRALIA

Phone: +61 7 3007 0042
Fax: +61 7 3007 0075
Email: mike@fabulous.com
IM: mikefabulous (Skype)
m.robertson@fabulous.com (Windows)



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From: system.quasar [<mailto:system.quasar@gmail.com>]

Sent: Monday, 6 December 2010 12:25 AM

To: Mike Robertson

Subject: Re: Some November Names Showing as "Account Suspended" - Will this be rectified?

Mike, the attachment was rejected by your server - resending it.

-Peter

On 10-12-05 6:23 AM, system.quasar wrote:

Hi Mike,

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James – as mentioned previously, we really need to start renewing the domains that expired in November, else we run the risk of some of them going into Redemption. Can you please send me those you want renewed and I'll have it processed ASAP.

Cheers,

Mike

Mike Robertson
Business Development Manager

Fabulous.com
Dark Blue Sea
Suite 2, 47 Warner St
Fortitude Valley, QLD 4006
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Phone: +61 7 3007 0042
Fax: +61 7 3007 0075
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IM: nukefabulous (Skype)
m.robertson@fabulous.com (Windows)



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From: system.quasar [<mailto:system.quasar@gmail.com>]
Sent: Friday, 3 December 2010 9:30 PM
To: james eckels
Cc: Mike Robertson; schnabel.eric@dorsey.com; Joshua Cox; Jeff Harbin
Subject: Re: Some November Names Showing as "Account Suspended" - Will this be rectified?

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Updated Date: 02-dec-2010

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Please let me know what is going on asap.

Thanks,

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James M. Eckels, Esq.

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EXHIBIT L

LOH, PETER

From: james eckels [mailto:jamesmeckels@gmail.com]
Sent: Tuesday, December 07, 2010 2:54 PM
To: Damon Nelson
Cc: LOH, PETER; VOGEL, PETER; GOLDEN, BARRY; Jeff Harbin; Joshua Cox
Subject: November Names to NOT Renew Issue

Damon:

Hope you can make the call. At issue are about 20k names we culled out of the November renewals that make less than We do NOT want to renew these. As you can see from Robertson's e-mails below, they will automatically delete during the 5 day "registrar hold" period after the 40 day grace period expires. Please feel free to ask me, Mike or anyone on our side any questions you have about the issue. I think the concept of NOT renewing names is counter-intuitive to the Receiver, and I need your help to explain that its actually a good thing for the health of the portfolio and a great way to save a substantial amount in registration renewal fees. I've attached the list of names. The criteria was (Quantec Portfolio - less than : "look and feel" manually assessed, i.e. each name culled was also reviewed with human judgment).

James

----- Forwarded message -----

From: Mike Robertson <m.robertson@fabulous.com>
Date: Tue, Dec 7, 2010 at 12:12 AM
Subject: RE: Some November Names Showing as "Account Suspended" - Will this be rectified?
To: "system.quasar" <system.quasar@gmail.com>
Cc: james eckels <jamesmeckels@gmail.com>, Jeff Harbin <jeff@jeffharbin.com>, Joshua Cox <j.cox.email@gmail.com>

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Cheers,

Mike

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 [LinkedIn profile](#)

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From: Mike Robertson [mailto:m.robertson@fabulous.com]

Sent: Monday, 6 December 2010 9:15 AM

To: 'system.quasar'

Cc: 'james eckels'; 'Jeff Harbin'; 'Joshua Cox'

Subject: RE: Some November Names Showing as "Account Suspended" - Will this be rectified?

Importance: High

Hi Peter,

Thanks for the email, hope you had a good weekend.

So just to confirm, the attached list of domains are those you DO NOT wish to have renewed. And all other domains expiring in November you want us to renew on your behalf?

Upon receipt of your confirmation, I will have the Tech guys process these renewals in bulk for you.

Just so you know, those that aren't renewed, will follow the normal drop cycle, going to Redemption, Pending Delete and then back to the available pool of domains.

In response to your other questions/concerns:

- The Tech team are running a script to allocate the domains to your "quasar" account. When Verisign performed the bulk push, the domains just ended up in our registrar, so they had to create a script to push them to your account. As you can imagine, with the size of the portfolio, it's going to take some time. As it is now, there are 193,686 in the account. I would imagine the full list will be in by the end of the day (Brisbane time).
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- There is work being done on the API. I'll have to chase up the Tech team for an update.

Let me know about the November domains and I'll get this actioned ASAP.

Cheers,

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From: system.quasar [<mailto:system.quasar@gmail.com>]

Sent: Monday, 6 December 2010 12:25 AM

To: Mike Robertson

Subject: Re: Some November Names Showing as "Account Suspended" - Will this be rectified?

Mike, the attachment was rejected by your server - resending it.

-Peter

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EXHIBIT M

From: Damon Nelson [mailto:ondovalimited@gmail.com]
Sent: Tuesday, December 07, 2010 5:40 PM
To: james eckels
Cc: LOH, PETER; VOGEL, PETER; GOLDEN, BARRY; Jeff Harbin; Joshua Cox
Subject: Re: November Names to NOT Renew Issue

James,

I agree that culling needs to be done each month. This should have been done long ago.

The only issues that I would ask would be:

- High traffic - Low EPC (Earnings Per Click) domain names sometimes get lumped into the group of low revenue performers for single month comparison filters. Were the revenue stats averaged over several months in a row, before applying the "under-performing" filter ? (A single month earnings could be an anomaly, Yet 3 months of more of revenue stats gives a lot better idea on what a single domain makes monthly)
- Were high traffic domains (over 100 visits per day) filtered out of this list of culled names? This would be the only other database filter that I would suggest. Might not be any of these names. These higher traffic names may not be making money because they are with the wrong monetizer (ie. above makes less than hitfarm on high traffic domains)

As far as a manual review, I'm sure that someone did a word length and spell check to identify domains that might have name value or keyword relevance for a full site development or affiliate link pass through. At first glance through this sorted list, I didn't see any that jumped out as catchy or high value keyword names. Looks like someone has already "eyeballed" all those names for keyword significance. (attached is that sorted list if needed)

I know the trust is playing catchup on getting this portfolio cleaned of under-performing junk names, misspellings and T/M names. Once they get past the initial culling process of Nov, Dec and Jan list of domain names, I would recommend using the Fabulous admin panel to tag underperforming domain names with the for sale tag and move them to Fabulous for parking revenue comparisons with Hitfarm/above. If you are planning on deleting the underperforming domain names, might as well try to sell them a few months ahead of the deletion date, as well as try a different monetizer to test monthly revenue.

Lastly, is Fabulous going to apply any Nov. deletion credits against the January Invoice, even though they may not be credited by Verisign until the end of December?

Damon

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To: "system.quasar" <system.quasar@gmail.com>

Cc: james eckels <jamesmeckels@gmail.com>, Jeff Harbin <jeff@jeffharbin.com>, Joshua Cox <j.cox.email@gmail.com>

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From: Mike Robertson [<mailto:m.robertson@fabulous.com>]

Sent: Monday, 6 December 2010 9:15 AM

To: 'system.quasar'

Cc: 'james.eckels'; 'Jeff Harbin'; 'Joshua Cox'

Subject: RE: Some November Names Showing as "Account Suspended" - Will this be rectified?

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Damon Nelson

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Dallas, TX 75201
(214) 965-0852
(214) 809-6085 Cell
email to: OndovaLimited@gmail.com

EXHIBIT N

LOH, PETER

From: james eckels [mailto:jamesmeckels@gmail.com]
Sent: Wednesday, December 08, 2010 4:59 PM
To: Mike Robertson; Mike Robertson
Cc: GOLDEN, BARRY; VOGEL, PETER; system.quasar; Joshua Cox; Jeff Harbin
Subject: Fwd: Recommendation of November Names to be Deleted

Mike:

As indicated below, counsel for the Receiver has authorized the deletion of 19,822 names and directed me to proceed with the process by directing Fabulous.com to NOT renew the names in the attached file "november_unwanted_domains." Peter sent this list to you under separate cover. It is the same list. Please be advised, however, that the "november_unwanted_domains" file includes 18 names that are **to be renewed**. These 18 names to be renewed are attached in the file "18.Domains.Keep.Nov." Accordingly, please **renew these 18 names**.

Thank you for your assistance in processing these deletions and renewals.

Please let me know if you have any questions or need any additional information.

Thanks,

James

----- Forwarded message -----

From: GOLDEN, BARRY <bgolden@gardere.com>
Date: Wed, Dec 8, 2010 at 4:21 PM
Subject: RE: Recommendation of November Names to be Deleted
To: james eckels <jamesmeckels@gmail.com>
Cc: Damon Nelson <ondovalimited@gmail.com>, "VOGEL, PETER" <pvogel@gardere.com>, Joshua Cox <j.cox.email@gmail.com>, "system.quasar" <system.quasar@gmail.com>

So, what you are saying is that if we do nothing today, we'll not maximize the benefit of the savings (or said another way, we will not fully preserve the value of the Receiver Assets and prevent loss). So, it looks like we'll need to make a decision now.

Based on the e-mails we've exchanged over the past two days, the memo you and Damon sent earlier (along with its attachments), and the telephone conference this morning among Damon, Peter Vogel, you, and me, the

Receiver will accept the recommendation from Damon and you. Please proceed with having the 19,840 names deleted and the 18 other names renewed.

From: james eckels [mailto:jamesmeckels@gmail.com]
Sent: Wednesday, December 08, 2010 4:14 PM
To: GOLDEN, BARRY
Cc: Damon Nelson; VOGEL, PETER; Joshua Cox; system.quasar

Subject: Re: Recommendation of November Names to be Deleted

The "downside" of not getting them the list today, is that Nov. 1st names will be renewed, so that a few low monetizer names get renewed. Tomorrow, the Nov. 2nd names get renewed, etc. So the sooner we get approval to delete them, the more money we save.

As for the spreadsheet, I've asked the Programmer about it and maybe Damon can weigh in on it as well.

The problem is that each domain is unique. Filtering for names earning less than \$1000 is a script that can be applied to all of the names, but getting the specific data for each name in the "do not renew" list, requires that each name be specifically listed in the filter. This can be accomplished en masse only if this list were identified as a group in the filtering program, which is what I think what the programmer will have to do. Whether this is something that the database is capable of doing (we've never done it yet, so I'm not sure if it was constructed with this function in mind) and how long it will take is unknown at this time.

My recommendation is to create the functionality for future "culls" of names, but to approve the list as it stands now so that we realize the maximum benefit of the savings.

James

On Wed, Dec 8, 2010 at 3:53 PM, GOLDEN, BARRY <bgolden@gardere.com> wrote:

Understood.

What's our time frame looking like. I know you said this was time sensitive. When is the Receiver's drop dead date/time to approve the deletions? If we have some breathing room, I'd ideally like to get the requested spreadsheet. If not, then we'll have to make that call then.

From: james eckels [mailto:jamesmeckels@gmail.com]
Sent: Wednesday, December 08, 2010 3:51 PM
To: GOLDEN, BARRY
Cc: VOGEL, PETER; LOH, PETER; Joshua Cox; Damon Nelson; system.quasar

Subject: Re: Recommendation of November Names to be Deleted

But it may not be based on 12 months of stats. These names were culled from the aggregate looking backwards 12 months.

On Wed, Dec 8, 2010 at 3:48 PM, GOLDEN, BARRY <bgolden@gardere.com> wrote:

I thought at some point, I saw an Excel spreadsheet with all 200,000 plus domain names and their specific revenues. Damon—is this something you have?

From: james eckels [mailto:jamesmeckels@gmail.com]
Sent: Wednesday, December 08, 2010 3:45 PM

To: GOLDEN, BARRY
Cc: VOGEL, PETER; LOH, PETER; Joshua Cox; Damon Nelson

Subject: Re: Recommendation of November Names to be Deleted

Barry:

Not sure I can generate a list of this many names with this info. on it (specific revenue for each name) in such a short time frame. Its one thing to filter from the aggregate, but to "reverse filter" from the name is a different request. In other words, I think to get the info. you'd want, someone would have to manually enter each domain to generate its stat report.

I've asked the Programmer if he is able to generate this report and will advise accordingly.

James

On Wed, Dec 8, 2010 at 2:43 PM, GOLDEN, BARRY <bgolden@gardere.com> wrote:

James,

I need a little more information. Specifically, can you please circulate a chart of the specific revenue for each of the 19,840 domain names Damon and you are recommending for deletion? Then, please walk me through the math showing how (a) the benefit to deleting those names (maintenance fees minus revenues—which should come out to a positive number, I assume), versus (b) the cost of maintaining those names (revenues minus maintenance fees—which should come out to a negative number, I assume).

It would probably make sense if you incorporate this information into the Memo, and recirculated a new version, along with the appropriate attachments.

Barry

From: james eckels [mailto:jamesmeckels@gmail.com]
Sent: Wednesday, December 08, 2010 2:27 PM
To: GOLDEN, BARRY
Cc: VOGEL, PETER; LOH, PETER; Joshua Cox; Damon Nelson
Subject: Recommendation of November Names to be Deleted

Barry:

In furtherance of our discussion this morning, attached to this message is a memorandum summarizing our recommendation to delete 19,822 domains that expired during the month of November.

The attached .csv file identified 19,840 names to be deleted.

The attached .xls file identifies 18 names to be remove from the .csv list.

Upon receipt of the Receiver's approval to delete these names, I will either remove the 18 from the larger list or send both lists to Fabulous.com to process the deletions/renewals.

Please let me know if you have any questions or need any additional information.

Thanks,

James M. Eckels, Esq.

Dallas, TX

562 899 0879 mobile

972 439 1882 office

jamesmeckels@gmail.com

James M. Eckels, Esq.

Dallas, TX

562 899 0879 mobile

972 439 1882 office

jamesmeckels@gmail.com

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jamesmeckels@gmail.com

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James M. Eckels, Esq.

Dallas, TX

562 899 0879 mobile

972 439 1882 office

jamesmeckels@gmail.com

EXHIBIT O

LOH, PETER

From: Joshua Cox [j.cox.email@gmail.com]
Sent: Friday, December 10, 2010 2:26 PM
To: GOLDEN, BARRY
Cc: 'James eckels'; VOGEL, PETER; LOH, PETER; 'Jeff Harbin'; 'Sherman Corky'; 'Urbanik, Raymond'; 'Roossien, Dennis'; BLAKLEY, JOHN DAVID
Subject: RE: subpoena compliance

My client is Novo Point, LLC, which has reserved its right to object to the appointment of a Receiver over its affairs. As you know the Order Appointing Receiver does not name Novo Point, LLC, and your Motion to Clarify that order has not yet been heard or granted. I have not and do not represent Jeffrey Harbin personally.

I am available to discuss at your convenience.

Joshua Cox
682.583.5918

From: GOLDEN, BARRY [mailto:bgolden@gardere.com]
Sent: Friday, December 10, 2010 1:39 PM
To: 'Joshua Cox'
Cc: James eckels; VOGEL, PETER; LOH, PETER; Jeff Harbin; 'Sherman Corky'; 'Urbanik, Raymond'; 'Roossien, Dennis'; BLAKLEY, JOHN DAVID
Subject: FW: subpoena compliance
Importance: High

Mr. Cox,

I think there is some serious confusion here. I thought you were the Receiver's attorney. Your correspondence, however, makes it look like you perceive the Receiver as your opponent.

Under the Receiver Order, the Receiver controls Quantec, LLC and Novo Point, LLC. The Receiver has not subpoenaed Quantec, LLC and Novo Point, LLC. Rather, the Receiver has subpoenaed Jeffrey Harbin, an individual who, as an employee for one of the Receiver Parties, is under an obligation to comply with the Receiver Order and follow instructions of the Receiver.

Mr. Harbin has flagrantly disregarded the Receiver's requests to aid him accessing Receiver Assets. Mr. Harbin has refused to return phone calls and has ignored e-mails. The Receiver needs Mr. Harbin to come to the bank, but Mr. Harbin is acting adverse to the Receiver.

The Receiver doesn't believe a subpoena is even necessary to get Mr. Harbin to appear at the bank, since Mr. Harbin is obligated under the Receiver Order to appear at the bank based solely on the Receiver's e-mail requests and phone calls. But before the Receiver considers whether he'll need to move against Mr. Harbin for contempt of the Receiver Order for failing to comply with the Receiver's requests, the Receiver will make all reasonable attempts to obtain his

compliance without Court intervention. Hence, the extra—albeit unnecessary—step of the subpoena.

The Receiver is unsure what your role is here and whom you now claim to represent. The Receiver understood that you were an attorney for Quantec, LLC and Novo Point, LLC, and as such, you would report to the Receiver. In other words, the Receiver thought you were his attorney. Indeed, you sent the Receiver an invoice the other day for work, including work performed after the issuance of the Receiver Order. So, are you also claiming to represent Jeffrey Harbin with relation to opposing the Receiver's subpoena? Are you, the Receiver's attorney, also aiding Mr. Harbin in not complying with the Receiver's requests? Because if you are, that sounds like a pretty obvious conflict to me.

To be clear, Mr. Harbin shall appear at BBVA Compass Bank at 9:00 a.m. on December 13, 2010 and assist the Receiver in allowing the Receiver access to Receiver Assets. Should Mr. Harbin fail to comply, the Receiver will consider whether to seek Court intervention.

And the Receiver would also like your position on whom you actually represent before the end of today.

Barry Golden
Counsel for the Receiver

From: Joshua Cox [mailto:j.cox.email@gmail.com]
Sent: Friday, December 10, 2010 1:14 PM
To: GOLDEN, BARRY; LOH, PETER
Cc: 'james eckels'
Subject: subpoena compliance
Importance: High

Gentlemen,

My client respectfully requests that you agree to delay compliance with the attached subpoena until after the Court has ruled on the Receiver's Motion to Clarify next Friday, December 17, 2010. If agreeable, please sign the attached Rule 11 agreement and return to me via email today.

If you have any questions I am available this afternoon to discuss.

Regards,

Joshua Cox
682.583.5918

EXHIBIT P

LOH, PETER

From: Joshua Cox [j.cox.email@gmail.com]
Sent: Tuesday, December 14, 2010 7:04 PM
To: GOLDEN, BARRY; 'Gary Schepps'; tpj@dfwlawyer.com; 'Jeff Harbin'; 'Jeff Baron'
Cc: VOGEL, PETER; LOH, PETER; BLAKLEY, JOHN DAVID; 'Urbanik, Raymond'; 'Corky Sherman'; 'Damon Nelson'
Subject: RE: Potential Expiration of 36,000 Domain Names

Were the November deletions processed as anticipated? It was my understanding that culling the portfolio was going to save the LLCs a net amount of \$131,000 on the November renewals, and we could expect similar savings for December renewals when those are culled. That's approximately \$260,000 total net savings that could go toward paying the registration fees.

Joshua Cox
682.583.5918

From: GOLDEN, BARRY [mailto:bgolden@gardere.com]
Sent: Monday, December 13, 2010 5:14 PM
To: 'Gary Schepps'; 'tpj@dfwlawyer.com'; 'Joshua Cox'; 'Jeff Harbin'; 'Jeff Baron'
Cc: VOGEL, PETER; LOH, PETER; BLAKLEY, JOHN DAVID; 'Urbanik, Raymond'; 'Corky Sherman'; 'Damon Nelson'
Subject: Potential Expiration of 36,000 Domain Names

Mr. Jackson, Mr. Cox, Mr. Schepps, Mr. Harbin, and Mr. Baron:

On behalf of the Receiver, I am writing to you because your refusal to allow the Receiver to have access to Mr. Baron's accounts is about to cause the loss of approximately 36,000 domain names.

Mr. Jackson's December 10, 2010 letter (attached to this e-mail) makes two important statements: (1) "Quantec, L.L.C. and Novo Point, L.L.C. are ongoing, operational businesses with ongoing operating expenses" and (2) "it is necessary to prepay Fabulous.com for registration fees in the following approximate amounts: Quantec, LLC \$100,000 . . . Novo Point, LLC \$25,000." The Receiver agrees generally with those statements, except that Mr. Jackson's approximate amounts owed to Fabulous.com are way too low. Here is why.

Prior to the transfer of the domain names to Fabulous.com, the amount of \$614,096.26 was wired to Fabulous.com. That amount was used to pay:

(1) Bulk Transfer Fee	\$50,000;
(2) November renewal fee	\$341,094.06;
(3) A partial amount of the December renewals fee	\$223,002.20 (out of the total

December renewal fee of \$326,059.80).

\$614,096.26 (paid to

Fabulous.com)

For the remainder of the December renewal fee, which is already overdue, Fabulous.com is still owed \$103,057.60. For the January renewal fee, which will become due on December 20, 2010, Fabulous.com will be owed another \$170,924.22. Thus, as of December 20, 2010, Fabulous.com will be owed a total of \$273,981.82.

Currently, there are approximately 42,000 names set to expire on December 20, 2010. Unless Fabulous.com is paid \$273,981.82 by December 20, 2010, approximately 36,000 of those names will, in fact, expire (i.e., no funds will exist to renew 36,000 of the 42,000 domain names, but by allowing those approximately 36,000 names to expire, there will then be sufficient funds to renew 6,000 of the 42,000 other domain names).

So, where may the Receiver obtain the funds necessary to pay Fabulous.com? Below are two potential sources of funds.

1. The Baron Accounts? The most immediate source of potential funds to pay the amounts due to Fabulous.com would be from Mr. Baron's and his companies' various accounts (the "Baron Accounts"). For at least two of the Baron Accounts (whose amounts the Receiver believes to total more than \$200,000), Jeff Harbin must appear at the bank and provide the Receiver with written authorization. Last week, Mr. Harbin refused to appear at the bank voluntarily. This morning, Mr. Harbin refused to appear at the bank notwithstanding a subpoena from the Receiver directing him to do so. This conduct is both in direct contravention of the Court's Receiver Order (and therefore subject to a potential motion for sanctions) and counterproductive to the Receiver's job of maintaining the Receiver Assets:
2. The monetizers? A second potential source of funds to pay the amounts due to Fabulous.com would be from the monetizers. Unfortunately, at least one of the monetizers, Hitfarm, has already advised the Receiver that Hitfarm will not remit funds to the Receiver absent express written permission by Mr. Baron or one of his attorneys. The Receiver is investigating whether the other monetizers are taking the same position. Assuming that to be the case, the monetizers will presumably be remitting the funds to certain of those same Baron Accounts for which you have denied the Receiver access.

In short, because you have denied the Receiver access to the Baron Accounts, the Receiver is facing serious and immediate cash-flow problems. For the Receiver to access the Baron Accounts and actually make those payments and renew those domain names, your cooperation and compliance with the Receiver Order is required. Unless you allow the Receiver access to the Baron Accounts—which you have thus far blocked—your interference will directly cause the loss of approximately 36,000 domain names.

Hopefully, you will reconsider the position you have taken and will allow the Receiver access to the Baron Accounts so that the Receiver may perform the job that the Court ordered him to do.

Barry Golden
Counsel for the Receiver
214.999.4746

EXHIBIT Q

LOH, PETER

From: GOLDEN, BARRY
Sent: Tuesday, December 14, 2010 6:11 PM
To: 'Tom Jackson'; 'Joshua Cox'; 'Gary Schepps'; 'Jeff Harbin'; 'Jeff Baron'
Cc: LOH, PETER; BLAKLEY, JOHN DAVID; 'Corky Sherman'; 'Urbanik, Raymond'; 'Damon Nelson'
Subject: RE: expiring domain names
Attachments: Re: E-mail to Mr. Jackson

Mr. Jackson,

Thank you for your response.

As a starting point, the Receiver notes that you have not answered the questions the Receiver previously posed to you in the attached e-mail. Please let me know when the Receiver shall expect to receive responses (although question 7.a. appears to be moot based on the Court's Order from earlier today).

The Receiver also notes that you did not respond to his prior offer for a face-to-face meeting with counsel. Specifically, on Friday afternoon, I offered to clear my own schedule and meet with you on Monday, and yet you did not respond (although you spend time working on this case, as demonstrated by your filings). In any event, my offer is still open. Would you care to meet with me tomorrow? Or Thursday? If we meet face-to-face (an offer that neither Mr. Schepps nor Mr. Baron accepted previously), we might be able to shake hands, meet as professionals, and work together to jointly accomplish goals.

As for responding to your e-mail, I'll attempt to address everything piece by piece.

Beginning of First Paragraph.

Peter Loh tells me that your first paragraph is riddled with inaccuracies. It seems that his recollection of the telephone conversation was much different than your recollection—both as to the length of the conversation (he recalls it being much shorter) and the substance (especially the incorrect implication that certain monies would go to a Gardere trust account—which he says he did not imply). I wasn't a party to that conversation, so we'll just need to agree to disagree about these disputed historical facts.

End of First Paragraph and Beginning of Second Paragraph.

The end of the first paragraph and the beginning of second paragraph of your e-mail include mostly your observations that we did not inform you about the 36,000 domain names that are expiring until we informed you about the 36,000 domain names that are expiring. Your historical observation is duly noted. More importantly, everyone on this e-mail is on notice now.

End of Second Paragraph.

Below are additional questions that the Receiver poses to you about the 7,000 names that you contend need or needed to be jettisoned.

1. What are the 7,000 names that you contend need or needed to be jettisoned?
2. Who determined the 7,000 names that you contend need or needed to be jettisoned?
3. When was the determination made of the 7,000 names that you contend need or needed to be jettisoned?
4. To whom (including the Receiver, if that is your contention) was it communicated that there are 7,000 names that you contend need or needed to be jettisoned?
5. When were the communications that there are 7,000 names that you contend need or needed to be jettisoned made?
6. Are these 7,000 domain names that you contend need or needed to be jettisoned among the domain names that are "unique and once lost cannot be replaced," as described in Mr. Baron's declaration dated December 10, 2010?
7. Are these 7,000 domain names that you contend need or needed to be jettisoned among those names that "present[] a unique business opportunity based upon the uniqueness of the names," as described in Mr. Baron's declaration dated December 10, 2010?
8. Are these 7,000 domain names that you contend need or needed to be jettisoned among those names for which "[t]here is no legitimate or lawful basis to liquidate," as described in Mr. Baron's declaration dated December 10, 2010?
9. Are you proposing that the Receiver authorize the non-renewal of these domain names?

Third Paragraph.

Let me see if I can address each of your questions to the Receiver:

- 1. Please advise the Receiver's position on the management and deletion of domain names? How does he propose to implement this?**

Those are pretty general questions, so the Receiver will need more specifics. Discussion on this topic will probably flow smoother if we can speak, as opposed to sending e-mails. When we speak, perhaps you can reconcile the position Mr. Baron apparently takes in his declaration (that he swears that no names whatsoever should be deleted) with your statements (that thousands of names should, in fact, be deleted if they are not economically viable). We are happy to discuss what we perceive as a mixed message from your camp.

- 2. The Receiver may be guilty of gross mismanagement if, in fact, these companies fail or are severely damaged by his inability or failure to properly manage these names.**

This is not a question, but your threat of civil liability against the Court-appointed Receiver is duly noted. Mr. Schepps made threats as well, although his were targeted against me personally (the Receiver's counsel), and apparently referred to the Nuremberg Tribunal. All duly noted.

- 3. In this regard, I understand that the Receiver has shut down a working capital financing that would allow my clients to preserve a substantial body of the valuable names. Is this true?**

I'm not sure what this means—"shut down a working capital financing that would allow my clients to preserve a substantial body of the valuable names." Please rephrase, since I don't know what you are asking, and then I will attempt to respond.

- 4. Also, the Receiver has instructed the registrar not to follow, act on or otherwise perform any requests made by Mr. Harbin on behalf of Quantec, LLC and/or Novo Point LLC. Does Mr. Vogel believe he has the technical expertise or ability to properly manage these domain names?**

I will check with Mr. Vogel on his personal opinions of his skill set. Per the Court's Receiver Order, the Court appears to have confidence in Mr. Vogel's technical expertise. You are certainly welcome to raise that issue on Friday with the Court, and advise the Court if you believe that the Court erred in ordering that the Receiver be Mr. Vogel, as to someone whom you believe would be better qualified.

- 5. Does he plan to hire someone who does?**

Pursuant to the Receiver Order, the Receiver may hire Professionals. The Receiver expects to formally retain Damon Nelson (whom the Receiver understands has already been retained by the Trustee). Prior to formal

retention, the Receiver has already been working with Mr. Eckels on these matters and will continue to do so.

- 6. If not, why has he not reached out to Mr. Harbin, a contract employee, in order to maximize value, or at least maintain value, until the due process questions are sorted out?**

Again, the Receiver expects to retain Damon Nelson (whom the Receiver understands has already been retained by the Trustee). Prior to formal retention, the Receiver has already been working with Mr. Eckels on these matters and will continue to do so.

With respect to Mr. Harbin, although he was initially cooperative (he met in person with James Eckels and Peter Loh), Mr. Harbin has since failed to return phone calls or e-mails, including e-mails I have sent him *specifically about Quantec, LLC staffing issues*. If Mr. Harbin is now willing to speak with the Receiver or his counsel, the Receiver will be happy to discuss Mr. Harbin's potential role as a retained Professional. Would Mr. Harbin like me to set up a call for tomorrow?

- 7. Mr. Harbin was devoting 3 to 4 hours per day to my clients. Does Mr. Vogel believe he can do it more efficiently without using Mr. Harbin?**

Before answering that question, we would need to have a conversation with Mr. Harbin to obtain details on what he was doing for 3 to 4 hours per day. We are ready and willing to speak with Mr. Harbin at his convenience.

Fourth Paragraph.

I understand your position that you think the domain names are not in jeopardy before Friday's hearing. Hopefully, you'll meet with me before that point anyway, and we can figure out how to maximize the value of the Receiver Assets—a goal shared by everyone's clients. As to your comment that the your purported clients will not be "blindly following orders," that is a matter that the Court can and (I expect will) address, especially as it applies to the Court's own orders.

Barry Golden
Counsel for the Receiver

From: Tom Jackson [mailto:tpj@dfwlawyer.com]
Sent: Tuesday, December 14, 2010 4:45 PM
To: GOLDEN, BARRY; 'Joshua Cox'; 'Gary Schepps'; 'Jeff Harbin'; 'Jeff Baron'
Cc: LOH, PETER; BLAKLEY, JOHN DAVID; 'Corky Sherman'; 'Urbanik, Raymond'; 'Damon Nelson'
Subject: re: expiring domain names

Mr. Golden,

As you are aware, I spoke with counsel for the Receiver, Peter Loh, on Friday, December 10, to discuss these matters. At no time during the course of the approximately 30 minute conversation, wherein he declined my offer to freeze the accounts of Quantec, LLC and Novo Point LLC, did he mention that 36,000 domain names were at risk to expire. When I advised him that I was filing an objection and Motion to Quash pursuant to rule 45, he declined my offer to defer this matter until the hearing simply stating that he was opposed. In fact, when I asked where the money was being transferred to, he seemed to become indignant and declined to tell me other than to imply that it would go into the Gardere trust account. Had he advised that the domain names were at risk, I believe he should have been able to infer from the tenor of our conversation that we would be agreeable to using these accounts to pay past due amounts to maintain the names that have commercial value, i.e. an estimated value in excess of renewal fee. I believe this also would be confirmed by my correspondence of later that afternoon wherein I proposed that certain expenses needed to be paid, and which correspondence you referred to in your email of 12/13. As an aside, your initial response to my correspondence of 12/10, which came in at 5:56 p.m. that day, made no mention of the expiring domain names.

As you are also aware, payment to maintain the domain names is due on the 20th of the month preceding the month in which they are set to expire per paragraph 3.5.2 of the contract with Fabulous. As you may also be aware, both companies at issue have elected the "auto-renewal" provision per paragraph 3.5 of the contract. My clients believed there were sufficient funds for auto-debiting to handle the December renewals on November 20th. This would be post deletion of non-commercially valued names. You now advise there was not, but this was not mentioned by Mr. Loh in our conversation, or by you in your correspondence of 12/10. Also, nowhere in your correspondence is there any mention of the fact that these names need to be managed. That is, on an ongoing basis, Mr. Harbin, as alluded to above, is required to determine the relative commercial value of groups of names to the end that the sum of \$7.62 per is not wasted on names without that value. To this end, I am advised that there are approximately 7000 names that need or needed to be jettisoned in order to better preserve what cash remains.

Please advise the Receiver's position on the management and deletion of domain names? How does he propose to implement this? The Receiver may be guilty of gross mismanagement if, in fact, these companies fail or are severely damaged by his inability or failure to properly manage these names. In this regard, I understand that the Receiver has shut down a working capital financing that would allow my clients to preserve a substantial body of the valuable names. Is this true? Also, the Receiver has instructed the registrar not to follow, act on or otherwise perform any requests made by Mr. Harbin on behalf of Quantec, LLC and/or Novo Point LLC. Does Mr. Vogel believe he has the technical expertise or ability to properly manage these domain names? Does he plan to hire someone who does? If not, why has he not reached out to Mr. Harbin, a contract employee, in order to maximize value, or at least maintain value, until the due process questions are sorted out? Mr. Harbin was devoting 3 to 4 hours per day to my clients. Does Mr. Vogel believe he can do it more efficiently without using Mr. Harbin?

As for the 36,000 domain names set to expire, paragraph 3.8 of the contracts provides for a 33 day "Registrar Hold Period" beginning on the day the registration period for the registered name expires. Paragraph 3.9 provides an additional 5 day grace period before the registrar shall request the registry to delete the expiring registered name. Paragraph 3.10 provides for an additional 30 day "Redemption Grace Period." Since the 11/20 payment applies to December expirations per the contract, one should conclude that the earliest that a domain name could be lost without incurring additional fees would be 33 days from 12/1/10, or January 2, 2011. An additional \$29.95 extends the date to 1/7, and \$100.00 redeems the name 30 days after that. Unless the contract is not being followed, I would not think the domain names are in jeopardy before Friday's hearing. Also, to reiterate, my clients stand willing to cooperate with the receiver to the end that value in these companies may be preserved. Please be advised that cooperation does not include blindly following orders.

Tom Jackson
Law Offices of Thomas P. Jackson
4835 LBJ Frwy, Suite 450
Dallas, Texas 75244
972-387-0007
972-387-8707 fax

From: GOLDEN, BARRY [mailto:bgolden@gardere.com]
Sent: Tuesday, December 14, 2010 9:19 AM
To: 'tpj@dfwlawyer.com'; 'Joshua Cox'; 'Gary Schepps'; 'Jeff Harbin'; Jeff Baron
Cc: VOGEL, PETER; LOH, PETER; BLAKLEY, JOHN DAVID; Corky Sherman; 'Urbanik, Raymond'; 'Damon Nelson'
Subject: Diversion of Hitfarm Revenue to the Receiver

Mr. Jackson, Mr. Cox, Mr. Schepps, Mr. Harbin, and Mr. Baron:

As a follow-up to my e-mail from yesterday evening, your refusal to allow the Receiver access to Receiver Assets, including certain accounts, has put the Receiver in a cash crunch, so that the Receiver will be unable to pay Fabulous.com amounts owed and coming due. And this failure to pay Fabulous.com those amounts will lead to non-renewal of approximately 36,000 domain names. The Receiver again instructs you to provide him access to those accounts, so that he can pay Fabulous.com and renew the domain names.

Per the e-mail chain below, the Receiver is further instructing you to provide Fabulous.com with written authorization to Don Ham at Hitfarm for Hitfarm to divert amounts that Hitfarm would otherwise be sending to a certain bank account that was previously accessible to Mr. Baron (but that is now frozen) to a different bank account that is currently accessible to the Receiver. Your failure to comply with this instruction will be a violation of the Receiver Order and will also be the reason why the 36,000 domain names will expire.

Barry Golden
Counsel for the Receiver

-----Original Message-----

From: Don Ham [mailto:dham@reinvent.com]
Sent: Friday, December 10, 2010 2:51 PM
To: LOH, PETER
Cc: GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER; "Carly Janes-Reinvent"@mail.reinvent.com
Subject: Re: URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10

Hi Peter,

Hitfarm will not divert any money earned without consent from BOTH Mr. Baron or one of his attorneys/representatives AND the Receiver, we will continue to make regular payments to current payment details. Hitfarm will not divert payments unless we have express consent from the Receiver.

Thanks,

Don Ham
Reinvent.com

LOH, PETER wrote:

>
> Don:
>
>
>

> Perhaps I was not clear with my first question. I want to know
> whether hitfarm.com will confirm that it will not divert money
> earned from the Novo Point and Quantec internet domain names if so
> requested by Mr. Baron or one of his attorneys/representatives unless
> it receives written authorization from the Receiver to do so.

>
>
>
> Currently, the money is going to the two BBVA Compass Bank accounts we
> discussed below. I want to make sure it will not be diverted
> elsewhere unless the Receiver requests or approves of the
> diversion ahead of time.

>
>
>
> Thank you.

>
>
> Peter L. Loh | Partner
>
> Gardere Wynne Sewell LLP
>
> 1601 Elm Street, Suite 3000 | Dallas, TX 75201
>
> 214.999.4391 direct
>
> 214.729.9058 cell
>
> 214.999.3391 fax
>
> www.Gardere.com

> *****

> IRS CIRCULAR 230 DISCLOSURE:

>
>
>
> This communication has not been prepared as a formal legal opinion
> within the procedures described in Treasury Department Circular 230.
> As a result, we are required by Treasury Regulations to advise you
> that for any significant Federal tax issue addressed herein, the
> advice in this communication (including any attachments) was not
> intended or written to be used, and it cannot be used by the taxpayer,
> for the purpose of avoiding penalties that may be imposed on the taxpayer.

>
>
>
> *****

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>

>
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>
>
> -----Original Message-----
> From: Don Ham [mailto:dham@reinvent.com]
> Sent: Friday, December 10, 2010 2:18 PM
> To: LOH, PETER
> Cc: GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER; "Carly
> Janes-Reinvent"@mail.reinvent.com
> Subject: Re: URGENT RECEIVER REQUEST - Information and Documents due
> by 11:00 a.m. on 11/29/10
>
>
>
> Peter,
>
>
>
> 1. Hitfarm will not change payment details for either accounts unless
> the receiver agrees to cover all Hitfarm's legal expenses related to
> either accounts(to be deducted from the revenue owed, on a monthly
> basis). And we will only divert the payments if our attorneys advise us
> to divert the payments.
>
>
>
> 2. We will happily answer Mr. Golden's original questions when your firm
> addresses the questions/concerns I addressed in reply to the original
>

> email from Mr. Golden. We are still not clear on exact details of what
>
> would be satisfactory to your firm.

>
>
> I'm sorry but our company is on our way out to volunteer at local
>
> charities, then off to our company dinner. I will be unavailable from
>
> this time forth until tomorrow, please be patient for any replies.

> Regards,

> Don Ham

> Reinvent.com

> LOH, PETER wrote:

> > Don: Two more questions:

> > 1. Can you please confirm that hitfarm.com will not allow
> > revenue earned from the Novo Point and Quantec portfolios to be
> > diverted to different accounts without the express permission of the
> > Receiver?

> > 2. When can we expect answers to Barry Golden's original questions
> > from the beginning of the email chain?

>
> >
>
> > Thank you.
>
> >
>
> >
>
> >
>
> > Peter L. Loh | Counsel for the Receiver
>
> >
>
> > Gardere Wynne Sewell LLP
>
> >
> > 1601 Elm Street, Suite 3000 | Dallas, TX 75201
>
> >
>
> > 214.999.4391 direct
>
> >
>
> > 214.729.9058 cell
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> >
> > 214.999.3391 fax
>
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>
> > www.Gardere.com
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> > *****
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>
> > IRS CIRCULAR 230 DISCLOSURE:
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>
> > This communication has not been prepared as a formal legal opinion
>

> > within the procedures described in Treasury Department Circular 230.
>
> > As a result, we are required by Treasury Regulations to advise you
>
> > that for any significant Federal tax issue addressed herein, the
>
> > advice in this communication (including any attachments) was not
>
> > intended or written to be used, and it cannot be used by the taxpayer,
>
> > for the purpose of avoiding penalties that may be imposed on the
> taxpayer.

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> > NOTICE BY GARDERE WYNNE SEWELL LLP

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> > intended to reflect an intention to make an agreement by electronic
> means.
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>
> > -----Original Message-----
>
> > From: Don Ham [mailto:dham@reinvent.com]
>
> > Sent: Friday, December 10, 2010 2:05 PM
>
> > To: LOH, PETER
>
> > Cc: GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER; "Carly
>
> > Janes-Reinvent"@mail.reinvent.com
>
> > Subject: Re: URGENT RECEIVER REQUEST - Information and Documents due
>
> > by 11:00 a.m. on 11/29/10
>
> >
>
> >
>
> >
>
> >
>
> > Hi Peter,
>
> >
>
> >
>
> >
>
> > More than happy to assist in any way we're able. Please note I am adding
>
> >
>

> > Carly Janes(Hitfarm Manager) to our conversation, please include Carley
>
> >
>
> > in all future correspondence between us.
>
> >
>
> >
>
> >
>
> > Yes, Quantec and Novo Point revenue payments are paid to these two bank
>
> >
> > accounts.
>
> >
>
> >
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> >
>
> > Regards,
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> >
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>
> >
> > Don Ham
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> >
>
> > Reinvent.com
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>
> > LOH, PETER wrote:
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> >
>
> > > Don: Can you please confirm that the funds for the Novo Point and
>
> >
>
> > > Quantec internet domain names from hitfarm.com is currently directed

>
> >
>
> > > at one or both of these accounts:
>
> >
>
> > >
>
> >
>
> > >
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> >
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> > >
>
> >
> > >
>
> > > BBVA Comass Bank Account Numbers 2521421315 and 2521421323.
>
> >
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> > >
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> > >
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> > >
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> > >
>
> > > I appreciate you taking the time to speak with me. We will be in
>
> > touch.
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> > > Peter L. Loh | Counsel for the Receiver
>
> >
>
> > > *Gardere Wynne Sewell LLP
>
> >
>
> > > *1601 Elm Street, Suite 3000 | Dallas, TX 75201
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>
> > > 214.999.4391 direct
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> > > 214.729.9058 cell
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> > > 214.999.3391 fax
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> > > Gardere <<http://www.gardere.com>> | Bio
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> > > <http://www.gardere.com/Attorneys/Attorney_Bio/?id=428> | vCard
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> > > <http://www.gardere.com/Attorneys/Attorney_Bio/vcard.vcf?id=428&action=vCard>
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> > > <<http://www.gardere.com/>>
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> > > IRS CIRCULAR 230 DISCLOSURE:
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> > > for the purpose of avoiding penalties that may be imposed on the
>
> > taxpayer.
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> > > *****
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> > > NOTICE BY GARDERE WYNNE SEWELL LLP
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> > > intended to reflect an intention to make an agreement by electronic
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> > means.
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> >
>
> > > *From:* Don Ham [mailto:dham@reinvent.com]
>
> >
>
> > > *Sent:* Friday, December 10, 2010 1:28 PM
>
> >
>
> > > *To:* LOH, PETER
>
> >
>
> > > *Cc:* GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER
>
> >
>
> > > *Subject:* Re: URGENT RECEIVER REQUEST - Information and Documents due
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> > > by 11:00 a.m. on 11/29/10
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> >
>
> > > Hi Peter,
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> >
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> > >
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> >
>
> > > Please call me at 604.628-9388.
>
> >
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> > >
>
> >
>
> > > Regards,
>

> >
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> > >
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>
> > > Don Ham
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>
> > > Reinvent.com
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>
> > > LOH, PETER wrote:
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>
> > > Don: What is a number where I can reach you? Thank you.
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>
> > > Peter L. Loh | Counsel for the Receiver
>
> >
>
> > > *Gardere Wynne Sewell LLP
>
> >
>
> > > *1601 Elm Street, Suite 3000 | Dallas, TX 75201
>
> >

>
> > > 214.999.4391 direct
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> > > 214.729.9058 cell
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> > > 214.999.3391 fax
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> > > Gardere <<http://www.gardere.com>> | Bio
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> > > <<http://www.gardere.com/>>
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> > > IRS CIRCULAR 230 DISCLOSURE:
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>
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>
> > > As a result, we are required by Treasury Regulations to advise you
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>
> > taxpayer.
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>
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> > > above. If you are not the intended recipient, you are hereby notified
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> > > in reliance on the contents of this message or its attachments is

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> > > strictly prohibited, and may be unlawful. ' If you have received this
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> > > message in error, please delete all electronic copies of this message
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>
> > means.
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> > >
>
> >
>
> > > *From:* Don Ham [mailto:dham@reinvent.com]
>
> >
>
> > > *Sent:* Friday, December 10, 2010 10:09 AM
>
> >
>

>
> >
>
> > >
>
> >
>
> > > Thanks,
>
> >
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> > >
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> > >
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> > >
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> >
>
> > > Don Ham
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> > >
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>
> > > Reinvent.com <<http://Reinvent.com>>
>
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> > >
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>
> > > Please excuse typo,
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> >
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> > >
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> >
>
> > > Sent from my iPhone
>

>
> > > Thank you.
>
> >
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> > >
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> >
>
> > > Peter L. Loh | Counsel for the Receiver
>
> >
>
> > > *Gardere Wynne Sewell LLP
>
> >
>
> > > *1601 Elm Street, Suite 3000 | Dallas, TX 75201
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>
> > > attorney-client privilege or any other privilege.
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>
> >
>
> > > *Cc:* VOGEL, PETER; 'Urbanik, Raymond'; 'corky@syllp.com'
>
> >
>
> > > <mailto:%27corky@syllp.com>'
>
> >
> > > *Subject:* Re: URGENT RECEIVER REQUEST - Information and Documents
>
> >
> > > due by 11:00 a.m. on 11/29/10
>
> >
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> > >
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> > >
>
> > > Mr. Golden,
>
> >
>
> > >
>
> > > We feel the deadline you have imposed on Hitfarm is not only
>
> >
> > > unreasonable but impossible to be met. I have just read your email
>
> >
>
> > > and it is already past your set deadline.
>
> >
>
> > >
>
> >
>
> > > We have every intention of cooperating with you to meet your
>

> >
>
> > > requests but you will have to be more reasonable with the
>
> >
>
> > > deadline. Furthermore, it would be helpful if you can extrapolate
>
> >
>
> > > what it is exactly we need to provide for you. My understanding
>
> >
>
> > > is, from having read your email, we need to provide the
>
> >
>
> > > following...please confirm.
>
> >
>
> > > * Account details of QUANTEC LLC.
>
> >
>
> > > * Account details of NOVO POINT LLC.
>
> >
>
> > > * All payment history including the payment amounts, the recipient
>
> >
>
> > > of the payment, beneficiary of the payment, banking details of the
>
> >
>
> > > receiving bank account, current balance of both accounts, revenue
>
> >
>
> > > amount owing to date,
>
> >
>
> > > * Clarification on the nature of the assets: Domain Portfolios (Is
>
> >
>
> > > this description satisfactory to you?).
>
> >
>
> > > * Clarification on the value of such asset: The value of the
>
> >

>
> > > portfolios (The value of the domain portfolios is subjective, we
>
> >
>
> > > would not hazard a guess)
>
> >
>
> > > * We do not have any details on: /The identification and location
>
> >
>
> > > of any safe deposit box, commercial mail box, or storage facility
>
> >
>
> > > that is either titled in the name, individually or jointly, of any
>
> >
>
> > > Receivership Party, whether in whole or in part; and/
>
> >
>
> > > * We do not have any details on: /If the account, safe deposit
>
> >
>
> > > box, storage facility, or other asset has been closed or removed,
>
> >
>
> > > the date closed or removed and the balance of said date./
>
> >
>
> > > * For the following request...
>
> >
>
> > > /Copies of all records or other documentation pertaining to each
>
> >
>
> > > such account or asset, including, but not limited to originals or
>
> >
>
> > > copies of account applications, account statements, corporate
>
> >
>
> > > resolutions, signature cards, checks, drafts, deposit tickets,
>
> >
>

> > > transfers to and from the accounts, all other debit and credit
>
> >
>
> > > instruments or slips, currency transaction reports, 1099 forms,
>
> >
>
> > > and safe deposit box logs[.]
>
> >
>
> > > /
>
> >
> > > We have previous record of every email correspondence with the
>
> >
> > > parties that we liaised with(There were numerous parties). Are you
>
> >
> > > asking for ALL past records(email correspondence) with anything
>
> >
> > > related to Quantec LLC & Novo Point LLC? If need be; we can
>
> >
> > > forward every email to you, please confirm.
>
> >
> > >
> >
> > > ** Is your request limited to Quantec LLC & Novo Point LLC
>
> >
> > > accounts or(Accounts created in February, 2010), does it include
>
> >
> > > Simple Solution accounts which were same portfolios in different
>
> >
> > > accounts(dating back to January, 2007).
>
> >
> > >

>
> >
>
> > > Please advise/clarify so we can accommodate you to the best of our

>
> >
>
> > > abilities.

>
> >
>
> > >
>
> >
> > > Best regards,

>
> >
>
> > >
>
> >
> > > Don Ham

>
> > > Reinvent.com <<http://Reinvent.com>>

>
> >
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> > >
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> >
> > > GOLDEN, BARRY wrote:

>
> >
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> > >
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> >
> > > Dear Mr. Ham,

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> > >

>
> > > shall */_immediately_/* provide the Receiver with a statement
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> >
>
> > > including the following:
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> > >
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> >
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> > >
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>
> >
> > >
>
> > > /The identification number of each account or asset titled in the
>
> >
>
> > > name, individually or jointly, of any Receivership Party, or held
>
> >
> > > on behalf thereof, or for the benefit thereof, including all trust
>
> >
> > > accounts managed on behalf of any Receivership Party or subject to
>
> >
> > > any Receivership Party's control;/
>
> >
>
> > >
>
> > > //
>
> >
>
> > >
>
> >
>
> > > /The balance of each such account, or a description of the nature
>
> >
>

> > > and value of such asset;/

>

> >

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>

> > > /The identification and location of any safe deposit box,

>

> >

>

> > > commercial mail box, or storage facility that is either titled in

>

> >

>

> > > the name, individually or jointly, of any Receivership Party,

>

> >

>

> > > whether in whole or in part; and/

>

> >

>

> > >

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> >

>

> > > / /

>

> >

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> >

>

> > > /If the account, safe deposit box, storage facility, or other

>

> >

>

> > > asset has been closed or removed, the date closed or removed and

>

> >

>

> > > the balance of said date. /

>

> >

>

> > >

>
> >
>
> >
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>
>

LOH, PETER

From: GOLDEN, BARRY
Sent: Tuesday, December 14, 2010 8:49 PM
To: LOH, PETER; BLAKLEY, JOHN DAVID
Cc: VOGEL, PETER
Subject: Fwd: Questions for Mr. Baron's Legal Team

This stuff should be included in the section of the reply brief about the hiring of the baron lawyers.

Sent from my iPad

Begin forwarded message:

From: "GOLDEN, BARRY" <bgolden@gardere.com>
Date: December 14, 2010 8:34:14 PM CST
To: 'Sid Chesnin' <schesnin@hotmail.com>, 'Gary Schepps' <legal@schepps.net>, 'Joshua Cox' <j.cox.email@gmail.com>, "tpj@dfwlawyer.com" <tpj@dfwlawyer.com>
Cc: "thomas12@swbell.net" <thomas12@swbell.net>, "glyon.attorney@gmail.com" <glyon.attorney@gmail.com>, 'jamesmeckels' <jamesmeckels@gmail.com>, 'Damon Nelson' <ondovalimited@gmail.com>, "'Urbanik, Raymond'" <RUrbanik@Munsch.com>, Corky Sherman <Corky@syllp.com>, "'Roossien, Dennis'" <droossien@munsch.com>, "VOGEL, PETER" <pvogel@gardere.com>, "LOH, PETER" <ploh@gardere.com>, "BLAKLEY, JOHN DAVID" <jblakley@gardere.com>, Jeff Baron <jeffbaron1@gmail.com>, 'Jeff Harbin' <jeff@jeffharbin.com>
Subject: Questions for Mr. Baron's Legal Team

Dear Mr. Baron's Legal Team,

One of the first things I did after the Court issued the Receiver Order was to review not only the Receiver Order, but also the Bankruptcy Court's Recommendation. That Recommendation expressed grave concern over Mr. Baron's hiring and firing of lawyers. The Order also announced that on a going-forward basis, Mr. Baron's attorneys would be limited to Gary Lyon (whom I am copying) and Thomas Martin (whom I am copying, although I understand that he is moving to withdraw). Yet, over the past two weeks, I have since been introduced to lawyer after lawyer after lawyer after lawyer—all of whom claim to currently represent Mr. Baron and/or his companies.

First, there was Sid Chesnin ("Lawyer Number 1"). Next, there was Gary Schepps ("Lawyer Number 2"). Then, there was Josh Cox (whom I previously understood was the Receiver's attorney) ("Lawyer Number 3"). And most recently, there is Thomas Jackson ("Lawyer Number 4"). Hereinafter, I will define Lawyer

Number 1, Lawyer Number 2, Lawyer Number 3, and Lawyer Number 4 collectively as the (“Four Baron Lawyers”).

Prior to beginning their representation, none of the Four Baron Lawyers sought any sort of authorization or provided any sort of notice to the District Court, the Bankruptcy Court, or the Receiver. It appears that Mr. Baron is continuing to hire new lawyers.

Meanwhile, all of the Four Baron Lawyers have lots of questions for the Receiver. Lawyer Number 1 sent me a host of e-mail questions; I answered them. Last week, Lawyer Number 2 sent me a long list of e-mail questions; I answered them too. This afternoon, Lawyer Number 3 sent me a longer list of questions; I answered them too. This evening, Lawyer Number 4 has now asked additional questions; I promised to answer them when I meet with him. Before I answer any further questions, however, I would kindly ask each of you to advise me who is paying you, how much, and from what accounts? After all, the Baron accounts are supposed to all be frozen, so I cannot understand how he could retain such a massive legal team.

Also, I’d like you to provide me with some consensus on what the Baron Lawyers—purportedly speaking on behalf of Mr. Baron—would propose the Receiver do with the renewal of domain names. A few days ago, Lawyer number 2 told the Court that the Receiver should renew all of the domain names and allow none to expire. This afternoon, Lawyer number 3 told me that, in contravention of Lawyer Number 2, the Receiver should allow 7,000 of those domain names to expire. This evening, Lawyer number 4 appears to be saying that, in contravention of Lawyer Number 2 and Lawyer Number 3, that the Receiver should allow approximately 40,0000 domain names to expire (20,000 in November and 20,000 in December). Lawyer Number 1 has offered no counsel on the topic at all. Which of these strategies are the Four Baron Lawyers saying that Mr. Baron suggests that the Receiver should do? The Receiver may or may not consider the suggestion, but I’d like to be able at least to tell him, “This is what Mr. Baron suggests that you do.”

Mr. Cox told me that he would agree to meet with me tomorrow or Thursday. How about the rest of the Four Baron Lawyers? And Mr. Baron? And Mr.

Harbin? My firm has some really big conference rooms, although if Mr. Baron hires any more attorneys, I'm not sure everyone can fit.

Barry Golden

Counsel for the Receiver

EXHIBIT Q1

LOH, PETER

From: GOLDEN, BARRY
Sent: Friday, December 10, 2010 7:52 PM
To: GOLDEN, BARRY
Cc: tpj@dfwlawyer.com; VOGEL, PETER; LOH, PETER; BLAKLEY, JOHN DAVID; Roossien, Dennis; Corky Sherman; Raymond Urbanik; jamesmeckels; Joshua Cox; Jeff Harbin
Subject: Re: E-mail to Mr. Jackson

Mr. Jackson,

The Receiver requests your answers to the questions below no later than 8:30 a.m. on Monday. But since you presumably know all of these answers already, the Receiver expects you will be able to email the answers sometime this weekend.

Barry Golden

Sent from my iPad

On Dec 10, 2010, at 5:56 PM, "GOLDEN, BARRY" <bgolden@gardere.com> wrote:

> Mr. Jackson,

>

> My name is Barry Golden, and I am counsel for the Receiver. I am in receipt of your attached letter.

>

> Early next week—Monday if you like—I would be happy to meet with you in person, either at your office or mine.

>

> In the interim, the Receiver has several pressing questions and would respectfully request your cooperation in providing answers to these questions.

>

>

> 1. Who retained you to purportedly represent Quantec, L.L.C. and Novo Point, L.L.C.?

>

>

>

> 2. Is Joshua Cox your purported co-counsel for Quantec, L.L.C. and Novo Point, L.L.C.?

>

>

>

> 3. Did the person who retained you provide you with a retainer?

>

>

>

> 4. How much was the retainer?

>

>

>

> 5. From what account was the retainer drawn?

>

>

>

> 6. Do you represent Jeff Harbin individually?

>

>

>

> 7. In your motion, you say that “the undersigned offered to freeze the accounts [that are] the subject of the subpoena.”

>
>
>
> a. Are you taking the position that these accounts are NOT frozen?
>
>
>
> b. Has anyone withdrawn any amounts from these accounts since the issuance of the Receiver Order?
>
> The Receiver expects Mr. Harbin's full compliance with the subpoena—and I am copying Mr. Harbin on this e-mail.
>
> As I stated to Mr. Cox earlier today, the Receiver expects Mr. Harbin to appear at BBVA Compass Bank at 9:00 a.m. on December 13, 2010 and assist the Receiver in allowing the Receiver access to Receiver Assets. Should Mr. Harbin fail to appear or otherwise not comply fully, the Receiver will consider whether to seek Court intervention.
>
> Best regards,
>
> Barry Golden
>
>
>
>
>
>
>
> <Jackson Letter.pdf>

EXHIBIT R

LOH, PETER

From: GOLDEN, BARRY
Sent: Tuesday, December 14, 2010 8:34 PM
To: 'Sid Chesnin'; 'Gary Schepps'; 'Joshua Cox'; 'tpj@dfwlawyer.com'
Cc: 'thomas12@swbell.net'; 'glyon.attorney@gmail.com'; 'jamesmeckels'; 'Damon Nelson'; 'Urbanik, Raymond'; Corky Sherman; 'Roossien, Dennis'; VOGEL, PETER; LOH, PETER; BLAKLEY, JOHN DAVID; Jeff Baron; 'Jeff Harbin'
Subject: Questions for Mr. Baron's Legal Team

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Barry Golden
Counsel for the Receiver

EXHIBIT S

Bank Meeting.

6. The purpose of the Preston Road Compass Bank Meeting was to allow Mr. Harbin to grant signing authority over the Compass Accounts to me in my capacity as counsel to the Receiver.

7. On December 13, 2010, at approximately 8:55 a.m., I arrived at the BBVA Compass Bank branch on Cedar Springs Road in Dallas to meet Mr. Harbin pursuant to a subpoena I had issued to him compelling his appearance at that BBVA Compass Bank branch at 9 a.m. (the "Cedar Springs Road Compass Bank Meeting"). The purpose of the Cedar Springs Road Compass Bank Meeting was to allow Mr. Harbin to grant signing authority over the Compass Accounts to me in my capacity as counsel to the Receiver.

8. On December 13, 2010, I waited inside the lobby of the BBVA Compass Bank branch on Cedar Springs Road in Dallas for Mr. Harbin until 9:30 a.m. I called Mr. Harbin's work and cell phone numbers and left voice mail messages informing him I was waiting to meet him. At 9:30 a.m., I left the BBVA Compass Bank branch on Cedar Springs Road in Dallas.

9. Mr. Harbin did not appear at the BBVA Compass Bank branch on Cedar Springs Road in Dallas while I was there on December 13, 2010.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on December 15, 2010.


Peter Loh

EXHIBIT T

LOH, PETER

From: LOH, PETER
Sent: Tuesday, December 07, 2010 5:25 PM
To: Jeff Harbin
Cc: LOH, PETER
Subject: Jeff Baron Receivership--BBVA Compass
Attachments: image001.png

Jeff:

Let's meet at 11:45 (not 11:30) at the BBVA Compass location at 17218 Preston Road, Suite 1000, Dallas. It is just north of Preston and Campbell and south of Frankford.

I am attaching a link. My cell phone is below, and you can always email my blackberry. Please confirm this meeting time and place is good for you.

<http://www.bbvacompass.com/locations/searchlocation.html?hdnLatitude=32.9972&hdnLongitude=-96.7907&hdnType=ByLocation&txtAddress=&txtCity=&selStateProvince=&txtPostalCode=75252&txtDistance=5&rdoUnit=Mi>

Thank you.

Peter L. Loh | Partner
Gardere Wynne Sewell LLP
1601 Elm Street, Suite 3000 | Dallas, TX 75201
214.999.4391 direct
214.729.9058 cell
214.999.3391 fax
Gardere | Bio | vCard

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EXHIBIT U

LOH, PETER

From: Jeff Harbin [jeff@jeffharbin.com]
Sent: Tuesday, December 07, 2010 8:21 PM
To: LOH, PETER
Subject: Re: Fwd: redial.com

No, I cannot meet you tomorrow. I'll be in touch soon.

Jeff

On 12/07/10 8:17 PM, LOH, PETER wrote:
Jeff: thank you for forwarding this.

Are we meeting tomorrow at 11:45 or not? See my previous emails for location. Please let me know tonight ASAP.

Thank you.

From: Jeff Harbin <jeff@jeffharbin.com>
To: LOH, PETER
Sent: Tue Dec 07 20:09:05 2010
Subject: Fwd: redial.com

----- Original Message -----

Subject:redial.com
Date:Tue, 7 Dec 2010 19:56:33 -0600
From:Dave Knutson <lildaver@gmail.com>
To:20382718786440-5a0bb8@whoisprivacyservices.com.au

Hello, I would like your redial.com domain. I see that you are not using it, can I take it over from you?

Thanks,
Dave

Jeffrey L Harbin PC
6503 Camille Ave
Dallas, TX 75252-5436
972.758.8600 Phone
972.985.3983 Fax
jeff@jeffharbin.com

As to the next paragraph of this e-mail, the IRS has changed the way we all must practice when giving tax advice. You will begin to see all professionals who practice before the IRS (attorneys and accountants) putting this disclaimer in any advice they give. This does not at all

change the degree of care we take to provide the highest quality advice on a cost-efficient basis.

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EXHIBIT V

LOH, PETER

From: LOH, PETER
Sent: Wednesday, December 08, 2010 2:51 PM
To: 'Jeff Harbin'
Cc: GOLDEN, BARRY; LOH, PETER; VOGEL, PETER
Subject: Meeting at BBVA Compass Bank Tomorrow December 9, 2010
Attachments: image001.png; Order Appointing Receiver.pdf

Importance: High

Jeff: Mr. Baron needs access to money for urgent medical care. The Receiver is ordering you to meet me tomorrow **December 9, 2010, at 10am** at the BBVA Compass Bank at 17218 Preston Road, Suite 1000, Dallas. Page 9 of the Receiver Order (attached) requires cooperation from those associated with Jeff Baron and the Receivership Parties in assisting the Receiver with carrying out his duties on behalf of the court and the Receivership estate.

Peter L. Loh | Counsel for the Receiver
Gardere Wynne Sewell LLP
1601 Elm Street, Suite 3000 | Dallas, TX 75201
214.999.4391 direct
214.729.9058 cell
214.999.3391 fax
[Gardere](#) | [Bio](#) | [vCard](#)

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From: Jeff Harbin [mailto:jeff@jeffharbin.com]
Sent: Tuesday, December 07, 2010 8:21 PM
To: LOH, PETER
Subject: Re: Fwd: redial.com

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Sent: Tue Dec 07 20:09:05 2010
Subject: Fwd: redial.com

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Thanks,
Dave

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EXHIBIT W

LOH, PETER

From: LOH, PETER
Sent: Thursday, December 09, 2010 9:55 AM
To: 'Jeff Harbin'
Cc: GOLDEN, BARRY; VOGEL, PETER; LOH, PETER
Subject: RE: Meeting at BBVA Compass Bank Tomorrow December 9, 2010
Attachments: image001.png

Jeff: I tried to calling your office and cell phone to confirm our meeting at the BBVA Compass Bank this morning at 10 a.m. detailed in the email below. I was not able to reach you at either number. I left messages asking for a return call which I have not received. Accordingly, I will not be at the bank since I did not receive confirmation.

Peter L. Loh | Counsel for the Receiver
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Subject: Re: Fwd: redial.com

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EXHIBIT X

LOH, PETER

From: Don Ham [dham@reinvent.com]
Sent: Tuesday, December 14, 2010 12:00 PM
To: GOLDEN, BARRY; tpj@dfwlawyer.com; jeff@jeffharbin.com
Cc: VOGEL, PETER; LOH, PETER; BLAKLEY, JOHN DAVID; Corky Sherman; 'Urbanik, Raymond'; jeffbaron1@gmail.com; cjaner@hitfarm.com
Subject: Re: Diversion of Revenue to the Receiver

Mr. Golden,

Hitfarm is more than willing to accommodate all parties involved, especially the Court Ordered/Appointed Receiver. However, we need to be satisfied that the Receiver has legitimate access to funds which Hitfarm monetizes for Quantec LLC and Novo Point LLC. We would like you to confirm the following for us, so we can be sure that Hitfarm is accommodating the Receiver without risk of legal action from the clients whom we have an agreement with, mainly Quantec LLC and Novo Point LLC.

In the original documentation your firm has served us with, it clearly states that the Court Ordered/Appointed Receiver has control over Quantec Inc. and Novo Point Inc., not Quantec LLC and Novo Point LLC whom Hitfarm has a monetization agreement with. Please provide Hitfarm with a legal documentation that clarifies that the Receiver has control of Quantec LLC and Novo Point LLC. We will be more than willing to comply with the Receiver upon confirmation that we have an obligation to comply with the Court Ordered/Appointed Receiver.

Hitfarm has every intention of complying with the Court's ruling. Hitfarm also has every intention to comply with the Receiver that is Court Ordered/Appointed for the Quantec LLC and Novo Point LLC. companies, upon satisfaction that the Receiver has legitimate access to Quantec LLC and Novo Point LLC revenue.

As to your demand that Hitfarm pay IMMEDIATELY, please note that Hitfarm's standard revenue payouts are net 30 days. Thus Hitfarm is obligated to issue both payments in question at the end of December, not any sooner.

I am adding Tom Jackson and Jeff Harbin whom we recognize as Jeff Baron's representatives, as well as Jeff Baron, in hopes that we can all have copies of our correspondence. Also, as per my earlier request, please add Carly Janes to our correspondence.

Best regards,

Don Ham
Reinvent.com

On 12/14/2010 6:58 AM, GOLDEN, BARRY wrote:

Mr. Ham,

The Receiver wants to make sure he understands Hitfarm's position. From whom, exactly, does Hitfarm need written authorization in order to divert amounts that Hitfarm would otherwise be sending to a certain bank account that was previously accessible to Mr. Baron (but that is now frozen) to a different bank account that is currently accessible to the Receiver? Would an e-mail from the Receiver Peter Vogel (personally) suffice?

The Receiver is extremely concerned because if the Receiver doesn't get access to this money immediately (which will be the case if Hitfarm sends the money to a frozen account or simply

does not send the money anywhere), the Receiver might not be able to pay for amounts that Mr. Baron owes, including renewal fees Mr. Baron owes to a registrar on the domain names. In other words, if Hitfarm fails to divert the money to an account accessible to the Receiver, Hitfarm might cause a loss of assets (potentially exposing Hitfarm to civil liability).

What needs to happen to get Hitfarm to divert the amounts to the different bank account?

Barry Golden
Counsel for the Receiver

-----Original Message-----

From: Don Ham [mailto:dham@reinvent.com]

Sent: Friday, December 10, 2010 2:51 PM

To: LOH, PETER

Cc: GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER; "Carly Janes-Reinvent"@mail.reinvent.com

Subject: Re: URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10

Hi Peter,

Hitfarm will not divert any money earned without consent from BOTH Mr. Baron or one of his attorneys/representatives AND the Receiver, we will continue to make regular payments to current payment details. Hitfarm will not divert payments unless we have express consent from the Receiver.

Thanks,

Don Ham
Reinvent.com

LOH, PETER wrote:

>
> Don:
>
>
>
> Perhaps I was not clear with my first question. I want to know
> whether hitfarm.com will confirm that it will not divert money
> earned from the Novo Point and Quantec internet domain names if so
> requested by Mr. Baron or one of his attorneys/representatives unless
> it receives written authorization from the Receiver to do so.
>
>
>
> Currently, the money is going to the two BBVA Compass Bank accounts we
> discussed below. I want to make sure it will not be diverted
> elsewhere unless the Receiver requests or approves of the
> diversion ahead of time.
>
>
>
> Thank you.
>

>
>
> Peter L. Loh | Partner
>
> Gardere Wynne Sewell LLP
>
> 1601 Elm Street, Suite 3000 | Dallas, TX 75201
>
> 214.999.4391 direct
>
> 214.729.9058 cell
>
> 214.999.3391 fax
>
> www.Gardere.com

> *****

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> -----Original Message-----

> From: Don Ham [<mailto:dham@reinvent.com>]
> Sent: Friday, December 10, 2010 2:18 PM
> To: LOH, PETER
> Cc: GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER; "Carly
> Janes-Reinvent"@mail.reinvent.com
> Subject: Re: URGENT RECEIVER REQUEST - Information and Documents due
> by 11:00 a.m. on 11/29/10

>
>
>

> Peter,

>
>
>

> 1. Hitfarm will not change payment details for either accounts unless
> the receiver agrees to cover all Hitfarm's legal expenses related to
> either accounts(to be deducted from the revenue owed, on a monthly
> basis). And we will only divert the payments if our attorneys advise us
> to divert the payments.

>
>
>

> 2. We will happily answer Mr. Golden's original questions when your firm
> addresses the questions/concerns I addressed in reply to the original
> email from Mr. Golden. We are still not clear on exact details of what
> would be satisfactory to your firm.

>
>
>

> I'm sorry but our company is on our way out to volunteer at local
> charities, then off to our company dinner. I will be unavailable from
> this time forth until tomorrow, please be patient for any replies.

>
>
>

> Regards,

>
>

>
> Don Ham
>
> Reinvent.com
>
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>
> LOH, PETER wrote:
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> >
>
> > Don: Two more questions:
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>
> > 1. Can you please confirm that hitfarm.com will not allow
>
> > revenue earned from the Novo Point and Quantec portfolios to be
>
> > diverted to different accounts without the express permission of the
>
> > Receiver?
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> >
> > 2. When can we expect answers to Barry Golden's original questions
>
> > from the beginning of the email chain?
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>
> > Thank you.
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> >
> > Peter L. Loh | Counsel for the Receiver
>
> >
>
> > Gardere Wynne Sewell LLP
>

> >
>
> > 1601 Elm Street, Suite 3000 | Dallas, TX 75201

> > 214.999.4391 direct

> > 214.729.9058 cell

> > 214.999.3391 fax

> > www.Gardere.com

> > *****

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> > -----Original Message-----
>
> > From: Don Ham [<mailto:dham@reinvent.com>]
>
> > Sent: Friday, December 10, 2010 2:05 PM
>
> > To: LOH, PETER
>
> > Cc: GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER; "Carly
>
> > Janes-Reinvent"@mail.reinvent.com
>
> > Subject: Re: URGENT RECEIVER REQUEST - Information and Documents due
>
> > by 11:00 a.m. on 11/29/10
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> >
>
> > Hi Peter,
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> >
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>
> > More than happy to assist in any way we're able. Please note I am adding
>
> >
> > Carly Janes(Hitfarm Manager) to our conversation, please include Carley
>
> >
> > in all future correspondence between us.
>
> >
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> >
> >
> > Yes, Quantec and Novo Point revenue payments are paid to these two bank
>
> >
> > accounts.

>
> >
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>
> >
>
> > Regards,

> > Don Ham

> > Reinvent.com

> > LOH, PETER wrote;

> > > Don: Can you please confirm that the funds for the Novo Point and

> > > Quantec internet domain names from hitfarm.com is currently directed

> > > at one or both of these accounts:

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> > > BBVA Comass Bank Account Numbers 2521421315 and 2521421323.
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> > > I appreciate you taking the time to speak with me. We will be in
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> > touch.
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>
> > > Peter L. Loh | Counsel for the Receiver
>
> >
>
> > > *Gardere Wynne Sewell LLP
>
> >
>
> > > *1601 Elm Street, Suite 3000 | Dallas, TX 75201
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>
> > > 214.999.4391 direct
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> > > 214.729.9058 cell

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> > > Gardere <<http://www.gardere.com>> | Bio
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> > means.
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> > > *From:* Don Ham [<mailto:dham@reinvent.com>]
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> >
>
> > > *Sent:* Friday, December 10, 2010 1:28 PM
>
> >
>
> > > *To:* LOH, PETER
>
> >
>
> > > *Cc:* GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER
>

> >
>
> > > *Subject:* Re: URGENT RECEIVER REQUEST - Information and Documents due
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> > > by 11:00 a.m. on 11/29/10
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> > > Hi Peter,
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> > > Please call me at 604.628-9388.
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> > > Regards,
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> > > Don Ham
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> > > Reinvent.com
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> > > LOH, PETER wrote:
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> > > Don: What is a number where I can reach you? Thank you.

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> > > Peter L. Loh | Counsel for the Receiver
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>
> > > *Gardere Wynne Sewell LLP
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>
> > > *1601 Elm Street, Suite 3000 | Dallas, TX 75201
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> > > 214.729.9058 cell
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> > taxpayer.
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> > means.
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>
> > > *From:* Don Ham [<mailto:dham@reinvent.com>]
>
> >
>
> > > *Sent:* Friday, December 10, 2010 10:09 AM
>
> >
>
> > > *To:* LOH, PETER
>
> >
>
> > > *Cc:* GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER; LOH, PETER
>
> >
>
> > > *Subject:* Re: URGENT RECEIVER REQUEST - Information and Documents due
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> > > by 11:00 a.m. on 11/29/10
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> > > Don Ham
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> > > Reinvent.com <<http://Reinvent.com>>
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> > > Please excuse typo,
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>
> > > Sent from my iPhone
>
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> >
> > > On 2010-12-10, at 6:42 AM, "LOH, PETER" <ploh@gardere.com>
>
> >
>
> > > <<mailto:ploh@gardere.com>>> wrote:
>
> >

> > > Peter L. Loh | Counsel for the Receiver
>
> >
>
> > > *Gardere Wynne Sewell LLP
>
> >
>
> > > *1601 Elm Street, Suite 3000 | Dallas, TX 75201
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> > > nor is it intended to reflect an intention to make an agreement by
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> > > electronic means.

>
> > > following...please confirm.
>
> >
>
> > > * Account details of QUANTEC LLC.
>
> >
>
> > > * Account details of NOVO POINT LLC.
>
> >
>
> > > * All payment history including the payment amounts, the recipient
>
> >
>
> > > of the payment, beneficiary of the payment, banking details of the
>
> >
>
> > > receiving bank account, current balance of both accounts, revenue
>
> >
>
> > > amount owing to date,
>
> >
>
> > > * Clarification on the nature of the assets: Domain Portfolios (Is
>
> >
>
> > > this description satisfactory to you?).
>
> >
>
> > > * Clarification on the value of such asset: The value of the
>
> >
>
> > > portfolios (The value of the domain portfolios is subjective, we
>
> >
>
> > > would not hazard a guess)
>
> >
>
> > > * We do not have any details on: /The identification and location
>
> >
>
> > > of any safe deposit box, commercial mail box, or storage facility
>
> >
>

> > > that is either titled in the name, individually or jointly, of any
>
> >
>
> > > Receivership Party, whether in whole or in part; and/
>
> >
>
> > > * We do not have any details on: /If the account, safe deposit
>
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>
> > > box, storage facility, or other asset has been closed or removed,
>
> >
>
> > > the date closed or removed and the balance of said date./
>
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>
> > > * For the following request...
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>
> > > /Copies of all records or other documentation pertaining to each
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>
> > > such account or asset, including, but not limited to originals or
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> > > copies of account applications, account statements, corporate
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> > > resolutions, signature cards, checks, drafts, deposit tickets,
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> > > transfers to and from the accounts, all other debit and credit
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> > > instruments or slips, currency transaction reports, 1099 forms,
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> > > and safe deposit box logs[.]
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>
> > > We have previous record of every email correspondence with the

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>
> > > parties that we liaised with(There were numerous parties). Are you
>
> >
>
> > > asking for ALL past records(email correspondence) with anything
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> >
>
> > > related to Quantec LLC & Novo Point LLC? If need be, we can
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> >
>
> > > forward every email to you, please confirm.
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>
> > > ** Is your request limited to Quantec LLC & Novo Point LLC
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> >
>
> > > accounts or(Accounts created in February, 2010), does it include
>
> >
>
> > > Simple Solution accounts which were same portfolios in different
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> >
>
> > > accounts(dating back to January, 2007).
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> > > Please advise/clarify so we can accommodate you to the best of our
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> > > abilities.
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> > > Best regards,
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/The identification number of each account or asset titled in the
name, individually or jointly, of any Receivership Party, or held
on behalf thereof, or for the benefit thereof, including all trust
accounts managed on behalf of any Receivership Party or subject to
any Receivership Party's control;/

//

/The balance of each such account, or a description of the nature
and value of such asset;/

//

/The identification and location of any safe deposit box,

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>
> > > commercial mail box, or storage facility that is either titled in
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> > > the name, individually or jointly, of any Receivership Party,
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> > > whether in whole or in part; and/
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> > > /If the account, safe deposit box, storage facility, or other
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> > > asset has been closed or removed, the date closed or removed and
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> > > the balance of said date. /
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> > > (collectively, the "Account Information"). The Order further
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>
> > > provides, among other things, that you shall */_immediately_/*
>

>
> > > (collectively, the "Account Documents"). The Receiver has an
>
> >
>
> > > */_urgent_/* need for this Account Information and Account
>
> >
> > > Documents (collectively, the "Requested Materials"). Thus, the
>
> >
> > > Receiver hereby instructs you to provide the Requested Materials
>
> >
> > > to me (at the address identified at the bottom of this e-mail)
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> >
> > > */_no later than 11:00 a.m. (Central) on November 29, 2010_/* (the
>
> >
> > > "Receiver Request").
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> > >
> > > */_Failure to comply fully and timely with the Receiver Request
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> >
> > > shall be grounds for a motion for contempt of the Receiver
>
> > order_/*.
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> > >

>
> > > 1601 Elm Street, Suite 3000 | Dallas, TX 75201

>
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>
> > > 214.999.4746 direct

>
> >

>
> > > 214.999.3446 fax

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EXHIBIT Y

LOH, PETER

From: GOLDEN, BARRY
Sent: Tuesday, December 14, 2010 9:19 AM
To: 'tpj@dfwlawyer.com'; 'Joshua Cox'; 'Gary Schepps'; 'Jeff Harbin'; 'Jeff Baron'
Cc: VOGEL, PETER; LOH, PETER; BLAKLEY, JOHN DAVID; 'Corky Sherman'; 'Urbanik, Raymond'; 'Damon Nelson'
Subject: Diversion of Hitfarm Revenue to the Receiver

Mr. Jackson, Mr. Cox, Mr. Schepps, Mr. Harbin, and Mr. Baron:

As a follow-up to my e-mail from yesterday evening, your refusal to allow the Receiver access to Receiver Assets, including certain accounts, has put the Receiver in a cash crunch, so that the Receiver will be unable to pay Fabulous.com amounts owed and coming due. And this failure to pay Fabulous.com those amounts will lead to non-renewal of approximately 36,000 domain names. The Receiver again instructs you to provide him access to those accounts, so that he can pay Fabulous.com and renew the domain names.

Per the e-mail chain below, the Receiver is further instructing you to provide Fabulous.com with written authorization to Don Ham at Hitfarm for Hitfarm to divert amounts that Hitfarm would otherwise be sending to a certain bank account that was previously accessible to Mr. Baron (but that is now frozen) to a different bank account that is currently accessible to the Receiver. Your failure to comply with this instruction will be a violation of the Receiver Order and will also be the reason why the 36,000 domain names will expire.

Barry Golden
Counsel for the Receiver

-----Original Message-----

From: Don Ham [mailto:dham@reinvent.com]
Sent: Friday, December 10, 2010 2:51 PM
To: LOH, PETER
Cc: GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER; "Carly Janes-Reinvent"@mail.reinvent.com
Subject: Re: URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10

Hi Peter,

Hitfarm will not divert any money earned without consent from BOTH Mr. Baron or one of his attorneys/representatives AND the Receiver, we will continue to make regular payments to current payment details. Hitfarm will not divert payments unless we have express consent from the Receiver.

Thanks,

Don Ham
Reinvent.com

LOH, PETER wrote:

>
> Don:
>
>
>
> Perhaps I was not clear with my first question. I want to know
> whether hitfarm.com will confirm that it will not divert money
> earned from the Novo Point and Quantec internet domain names if so
> requested by Mr. Baron or one of his attorneys/representatives unless
> it receives written authorization from the Receiver to do so.

>
>
> Currently, the money is going to the two BBVA Compass Bank accounts we
> discussed below. I want to make sure it will not be diverted
> elsewhere unless the Receiver requests or approves of the
> diversion ahead of time.

> Thank you.

>
> Peter L. Loh | Partner
> Gardere Wynne Sewell LLP
> 1601 Elm Street, Suite 3000 | Dallas, TX 75201
>
> 214.999.4391 direct
>
> 214.729.9058 cell
>
> 214.999.3391 fax
>
> www.Gardere.com

> *****

> IRS CIRCULAR 230 DISCLOSURE:

>
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> within the procedures described in Treasury Department Circular 230.
> As a result, we are required by Treasury Regulations to advise you
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> advice in this communication (including any attachments) was not
> intended or written to be used, and it cannot be used by the taxpayer,
> for the purpose of avoiding penalties that may be imposed on the taxpayer.

>
> *****
>
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>
> Unless expressly stated otherwise, nothing contained in this message
> should be construed as a digital or electronic signature, nor is it
> intended to reflect an intention to make an agreement by electronic means.
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>
> -----Original Message-----
> From: Don Ham [mailto:dham@reinvent.com]
> Sent: Friday, December 10, 2010 2:18 PM
> To: LOH, PETER
> Cc: GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER; "Carly
> Janes-Reinvent"@mail.reinvent.com
> Subject: Re: URGENT RECEIVER REQUEST - Information and Documents due
> by 11:00 a.m. on 11/29/10
>
>
>
> Peter,
>
>
>
> 1. Hitfarm will not change payment details for either accounts unless
> the receiver agrees to cover all Hitfarm's legal expenses related to
> either accounts(to be deducted from the revenue owed, on a monthly
> basis). And we will only divert the payments if our attorneys advise us
> to divert the payments.
>
>
>

>
> 2. We will happily answer Mr. Golden's original questions when your firm
>
> addresses the questions/concerns I addressed in reply to the original
>
> email from Mr. Golden. We are still not clear on exact details of what
>
> would be satisfactory to your firm.
>
>
>

> I'm sorry but our company is on our way out to volunteer at local
>
> charities, then off to our company dinner. I will be unavailable from
>
> this time forth until tomorrow, please be patient for any replies.
>
>
>

> Regards,
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>

> Don Ham
>

> Reinvent.com
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> LOH, PETER wrote:
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> >

> > Don: Two more questions:
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> > 1. Can you please confirm that hitfarm.com will not allow
>
> > revenue earned from the Novo Point and Quantec portfolios to be
>
> > diverted to different accounts without the express permission of the
>
> > Receiver?
>
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> >

> > 2. When can we expect answers to Barry Golden's original questions
>

> > from the beginning of the email chain?

>

> >

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>

> > Thank you.

>

> >

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> >

>

> > Peter L. Loh | Counsel for the Receiver

>

> >

>

> > Gardere Wynne Sewell LLP

>

> >

>

> > 1601 Elm Street, Suite 3000 | Dallas, TX 75201

>

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>

> > 214.999.4391 direct

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> > 214.729.9058 cell

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> > 214.999.3391 fax

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> > www.Gardere.com

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> > IRS CIRCULAR 230 DISCLOSURE:

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>
> > This communication has not been prepared as a formal legal opinion
>
> > within the procedures described in Treasury Department Circular 230.
>
> > As a result, we are required by Treasury Regulations to advise you
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> > that for any significant Federal tax issue addressed herein, the
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> > for the purpose of avoiding penalties that may be imposed on the
> taxpayer.

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> > should be construed as a digital or electronic signature, nor is it
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> > intended to reflect an intention to make an agreement by electronic
> means.

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> > -----Original Message-----
>
> > From: Don Ham [mailto:dham@reinvent.com]
>
> > Sent: Friday, December 10, 2010 2:05 PM
>
> > To: LOH, PETER
>
> > Cc: GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER; "Carly
>
> > Janes-Reinvent"@mail.reinvent.com
>
> > Subject: Re: URGENT RECEIVER REQUEST - Information and Documents due
>
> > by 11:00 a.m. on 11/29/10

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>
> > More than happy to assist in any way we're able. Please note I am adding
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> >
>
> > Carly Janes(Hitfarm Manager) to our conversation, please include Carley
>
> >
>
> > in all future correspondence between us.
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>
> > Yes, Quantec and Novo Point revenue payments are paid to these two bank
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> > accounts.
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> > Regards,
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> > Don Ham
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> > Reinvent.com
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> > LOH, PETER wrote:
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>
> > > Peter L. Loh | Counsel for the Receiver
>
> >
>
> > > *Gardere Wynne Sewell LLP
>
> >
>
> > > *1601 Elm Street, Suite 3000 | Dallas, TX 75201
>
> >
>
> > > 214.999.4391 direct
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> > > 214.729.9058 cell
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> > > 214.999.3391 fax
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> > > Gardere <<http://www.gardere.com>> | Bio
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> > > <http://www.gardere.com/Attorneys/Attorney_Bio/?id=428> | vCard
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> <http://www.gardere.com/Attorneys/Attorney_Bio/vcard.vcf?id=428&action=vCard>
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> > > <<http://www.gardere.com/>>
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> > > IRS CIRCULAR 230 DISCLOSURE;
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> > > This communication has not been prepared as a formal legal opinion
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> > > within the procedures described in Treasury Department Circular 230.
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> > > As a result, we are required by Treasury Regulations to advise you
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> > > that for any significant Federal tax issue addressed herein, the
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> > > advice in this communication (including any attachments) was not
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> > > intended or written to be used, and it cannot be used by the taxpayer,
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> > > for the purpose of avoiding penalties that may be imposed on the
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> > taxpayer.
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> > > intended to reflect an intention to make an agreement by electronic
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> > means.
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>
> > > *From:* Don Ham [mailto:dham@reinvent.com]
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> >
>
> > > *Sent:* Friday, December 10, 2010 1:28 PM
>
> >
>
> > > *To:* LOH, PETER
>
> >
>
> > > *Cc:* GOLDEN, BARRY; BLAKLEY, JOHN DAVID; VOGEL, PETER
>
> >
>
> > > *Subject:* Re: URGENT RECEIVER REQUEST - Information and Documents due
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> >
>
> > > by 11:00 a.m. on 11/29/10
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> > > Hi Peter,
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> > > Please call me at 604.628-9388.
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> > Regards,

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>
> > > Don Ham

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>
> > > Reinvent.com

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> > > LOH, PETER wrote:

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> > > Don: What is a number where I can reach you? Thank you.

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>
> > > Peter L. Loh | Counsel for the Receiver

> >
>
> > > *Gardere Wynne Sewell LLP

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>
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> > > <<http://www.gardere.com/>>
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> > > for the purpose of avoiding penalties that may be imposed on the
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> > taxpayer.
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> > > *****
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> > > intended to reflect an intention to make an agreement by electronic
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> > means.
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> > >
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> >
>
> > > *From:* Don Ham [mailto:dham@reinvent.com]
>
> >

> > > you. If this time doesn't work for you, I will be available on Monday
>
> >
>
> > > afternoon.
>
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> > > Thanks,
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>
> > > Don Ham
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>
> > > Reinvent.com <<http://Reinvent.com>>
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> > > Please excuse typo,
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> > > Sent from my iPhone
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> >
>
> > > On 2010-12-10, at 6:42 AM, "LOH, PETER" <ploh@gardere.com
>
> >
> > > <mailto:ploh@gardere.com>> wrote:
>
> >
>
> > >
>
> >
> > > Mr. Ham: I am one of Barry Golden's law partners. I am also
>
> >
> > > serving as counsel to the Receivership over Jeff Baron and the
>
> >
> > > Receivership Parties as discussed in greater detail in the
>
> >
> > > correspondence below. I would like to discuss Quantec and Novo
>
> >
> > > Point's accounts with hitfarm.com <<http://hitfarm.com>>. Is there
>
> >
> > > a convenient time for me to call you today? Please let me know.
>
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>
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> > > unlawful. If you have received this message in error, please
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> > > delete all electronic copies of this message and its attachments,
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> > > if any, destroy any hard copies you may have created, without
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> >

> > > disclosing the contents, and notify the sender immediately.
>
> >

> > > Unintended transmission does not constitute waiver of the
>
> >

> > > *Sent:* Monday, November 29, 2010 2:25 PM
>
> >
>
> > > *To:* GOLDEN, BARRY
>
> >
>
> > > *Cc:* VOGEL, PETER; 'Urbanik, Raymond'; 'corky@syllp.com'
>
> >
>
> > > <mailto:%27corky@syllp.com>'
>
> >
>
> > > *Subject:* Re: URGENT RECEIVER REQUEST - Information and Documents
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> >
>
> > > due by 11:00 a.m. on 11/29/10
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> > > Mr. Golden,
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> > > We feel the deadline you have imposed on Hitfarm is not only
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>
> > > unreasonable but impossible to be met. I have just read your email
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> >
>
> > > and it is already past your set deadline.
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> > > We have every intention of cooperating with you to meet your
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> > > requests but you will have to be more reasonable with the
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>
> > > deadline. Furthermore, it would be helpful if you can extrapolate
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> >
> > > what it is exactly we need to provide for you. My understanding
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> >
>
> > > is, from having read your email, we need to provide the
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> >
>
> > > following...please confirm.
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> >
>
> > > * Account details of QUANTEC LLC.
>
> >
>
> > > * Account details of NOVO POINT LLC.
>
> >
>
> > > * All payment history including the payment amounts, the recipient
>
> >
>
> > > of the payment, beneficiary of the payment, banking details of the
>
> >
>
> > > receiving bank account, current balance of both accounts, revenue
>
> >
>
> > > amount owing to date,
>
> >
>
> > > * Clarification on the nature of the assets: Domain Portfolios (Is
>
> >
>
> > > this description satisfactory to you?).
>

> >
>
> > > * Clarification on the value of such asset: The value of the
>
> >
>
> > > portfolios (The value of the domain portfolios is subjective, we
>
> >
>
> > > would not hazard a guess)
>
> >
>
> > > * We do not have any details on: /The identification and location
>
> >
>
> > > of any safe deposit box, commercial mail box, or storage facility
>
> >
>
> > > that is either titled in the name, individually or jointly, of any
>
> >
>
> > > Receivership Party, whether in whole or in part; and/
>
> >
>
> > > * We do not have any details on: /If the account, safe deposit
>
> >
>
> > > box, storage facility, or other asset has been closed or removed,
>
> >
>
> > > the date closed or removed and the balance of said date./
>
> >
>
> > > * For the following request...
>
> >
>
> > > /Copies of all records or other documentation pertaining to each
>
> >
>
> > > such account or asset, including, but not limited to originals or
>
> >
>
> > > copies of account applications, account statements, corporate
>
> >

>
> > > resolutions, signature cards, checks, drafts, deposit tickets,
>
> >
>
> > > transfers to and from the accounts, all other debit and credit
>
> >
>
> > > instruments or slips, currency transaction reports, 1099 forms,
>
> >
>
> > > and safe deposit box logs[.]
>
> >
>
> > > /
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> >
>
> > > We have previous record of every email correspondence with the
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> >
>
> > > parties that we liaised with(There were numerous parties). Are you
>
> >
>
> > > asking for ALL past records(email correspondence) with anything
>
> >
>
> > > related to Quantec LLC & Novo Point LLC? If need be, we can
>
> >
>
> > > forward every email to you, please confirm.
>
> >
>
> > >
>
> >
>
> > > ** Is your request limited to Quantec LLC & Novo Point LLC
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> >
>
> > > accounts or(Accounts created in February, 2010), does it include
>
> >
>
> > > Simple Solution accounts which were same portfolios in different
>
> >
>

> > > accounts(dating back to January, 2007).

>

> >

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> > > Please advise/clarify so we can accommodate you to the best of our

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> >

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> > > abilities.

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> > > Best regards,

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> > > Don Ham

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> > > Reinvent.com <<http://Reinvent.com>>

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> > > GOLDEN, BARRY wrote:

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> > > Dear Mr. Ham,

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> > > As you are aware, on November 24, 2010, the Court issued an /Order
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>
> > > Appointing Receiver/ in the matter /In re: Ondova Limited Com,
>
> >
>
> > > Case No. 3:09-cv-0988, in the United States District Court for the
>
> >
>
> > > Northern District of Texas, Dallas Division/ (the "Order") (and
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> >
>
> > > for your convenience, I am reattaching a copy of the Order to this
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>
> > > e-mail). In the Order, the Court appointed Peter Vogel as
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> > > Receiver. I am counsel for the Receiver.
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> > > The Order provides, among other things, that you, as someone whom
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> > > the Receiver believes has information and documents related to one
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>
> > > or more of the Receivership Parties, Receivership Assets, and
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>
> > > Receivership Documents [terms that are all defined in the Order]
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> >
>
> > > shall */_immediately_/* provide the Receiver with a statement
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>
> > > including the following:
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> >
> > > /The identification number of each account or asset titled in the
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> >
> > > name, individually or jointly, of any Receivership Party, or held
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> >
> > > on behalf thereof, or for the benefit thereof, including all trust
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> >
> > > accounts managed on behalf of any Receivership Party or subject to
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> >
> > > any Receivership Party's control;/
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>
> > > /The balance of each such account, or a description of the nature
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> >
>
> > > and value of such asset;/
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> >
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> > >
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> > > //
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> >
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> > >
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> >
>
> > > /The identification and location of any safe deposit box,
>
> >
>
> > > commercial mail box, or storage facility that is either titled in
>
> >
>
> > > the name, individually or jointly, of any Receivership Party,
>
> >
>
> > > whether in whole or in part; and/
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> >
>
> > >
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> > > //
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> >
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> > >
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>
> > > /If the account, safe deposit box, storage facility, or other
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> >
>
> > > asset has been closed or removed, the date closed or removed and
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>

> > > the balance of said date. /

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> > > (collectively, the "Account Information"). The Order further

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> > > provides, among other things, that you shall **/_immediately_/**

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> > > provide the Receiver with the following:

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>

> > > /Copies of all records or other documentation pertaining to each

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> >

>

> > > such account or asset, including, but not limited to originals or

>

> >

>

> > > copies of account applications, account statements, corporate

>

> >

>

> > > resolutions, signature cards, checks, drafts, deposit tickets,

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> >

>

> > > transfers to and from the accounts, all other debit and credit

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>
> > > instruments or slips, currency transaction reports, 1099 forms,
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> >
>
> > > and safe deposit box logs[.]
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>
> > > (collectively, the "Account Documents"). The Receiver has an
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> >
>
> > > */_urgent_/* need for this Account Information and Account
>
> >
> > > Documents (collectively, the "Requested Materials"). Thus, the
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> >
> > > Receiver hereby instructs you to provide the Requested Materials
>
> >
> > > to me (at the address identified at the bottom of this e-mail)
>
> >
> > > */_no later than 11:00 a.m. (Central) on November 29, 2010_/* (the
>
> >
>
> > > "Receiver Request").
>
> >
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> > > */_Failure to comply fully and timely with the Receiver Request
>
> >
>
> > > shall be grounds for a motion for contempt of the Receiver
>
> > order_/*.
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>
> > > Separately, I will be in contact with you at a later time about
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> > > further information or documents that the Receiver also requires
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> >
> > > (/i.e./., aside from and in addition to the Requested Materials).
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> > > If you have any questions, please e-mail or call me.
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EXHIBIT Z

LOH, PETER

From: GOLDEN, BARRY
Sent: Monday, December 13, 2010 5:14 PM
To: 'Gary Schepps'; 'tpj@dfwlawyer.com'; 'Joshua Cox'; 'Jeff Harbin'; 'Jeff Baron'
Cc: VOGEL, PETER; LOH, PETER; BLAKLEY, JOHN DAVID; 'Urbanik, Raymond'; 'Corky Sherman'; 'Damon Nelson'
Subject: Potential Expiration of 36,000 Domain Names
Attachments: Jackson Letter.pdf

Mr. Jackson, Mr. Cox, Mr. Schepps, Mr. Harbin, and Mr. Baron:

On behalf of the Receiver, I am writing to you because your refusal to allow the Receiver to have access to Mr. Baron's accounts is about to cause the loss of approximately 36,000 domain names.

Mr. Jackson's December 10, 2010 letter (attached to this e-mail) makes two important statements: (1) "Quantec, L.L.C. and Novo Point, L.L.C. are ongoing, operational businesses with ongoing operating expenses" and (2) "it is necessary to prepay Fabulous.com for registration fees in the following approximate amounts: Quantec, LLC \$100,000 . . . Novo Point, LLC \$25,000." The Receiver agrees generally with those statements, except that Mr. Jackson's approximate amounts owed to Fabulous.com are way too low. Here is why.

Prior to the transfer of the domain names to Fabulous.com, the amount of \$614,096.26 was wired to Fabulous.com. That amount was used to pay:

(1) Bulk Transfer Fee	\$50,000;
(2) November renewal fee	\$341,094.06;
(3) A partial amount of the December renewals fee	\$223,002.20 (out of the total December renewal fee of \$326,059.80).

\$614,096.26 (paid to

Fabulous.com)

For the remainder of the December renewal fee, which is already overdue, Fabulous.com is still owed \$103,057.60. For the January renewal fee, which will become due on December 20, 2010, Fabulous.com will be owed another \$170,924.22. Thus, as of December 20, 2010, Fabulous.com will be owed a total of \$273,981.82.

Currently, there are approximately 42,000 names set to expire on December 20, 2010. Unless Fabulous.com is paid \$273,981.82 by December 20, 2010, approximately 36,000 of those names will, in fact, expire (i.e., no funds will exist to renew 36,000 of the 42,000 domain names, but by allowing those approximately 36,000 names to expire, there will then be sufficient funds to renew 6,000 of the 42,000 other domain names).

So, where may the Receiver obtain the funds necessary to pay Fabulous.com? Below are two potential sources of funds.

1. The Baron Accounts? The most immediate source of potential funds to pay the amounts due to Fabulous.com would be from Mr. Baron's and his companies' various accounts (the "Baron Accounts"). For at least two of the Baron Accounts (whose amounts the Receiver believes to total more than \$200,000), Jeff Harbin must appear at the bank and provide the Receiver with written authorization. Last week, Mr. Harbin refused to appear at the bank voluntarily. This morning, Mr. Harbin refused to appear at the bank notwithstanding a subpoena from the Receiver directing him to do so. This conduct is both in direct contravention of the Court's Receiver Order (and therefore subject to a potential motion for sanctions) and counterproductive to the Receiver's job of maintaining the Receiver Assets.
2. The monetizers? A second potential source of funds to pay the amounts due to Fabulous.com would be from the monetizers. Unfortunately, at least one of the monetizers, Hitfarm, has already advised the Receiver that Hitfarm will not remit funds to the Receiver absent express written permission by Mr. Baron or one of his attorneys. The Receiver is investigating whether the other monetizers are taking the same position. Assuming that to be the case, the monetizers will presumably be remitting the funds to certain of those same Baron Accounts for which you have denied the Receiver access.

In short, because you have denied the Receiver access to the Baron Accounts, the Receiver is facing serious and immediate cash-flow problems. For the Receiver to access the Baron Accounts and actually make those payments and renew those domain names, your cooperation and compliance with the Receiver Order is required. Unless you allow the Receiver access to the Baron Accounts—which you have thus far blocked—your interference will directly cause the loss of approximately 36,000 domain names.

Hopefully, you will reconsider the position you have taken and will allow the Receiver access to the Baron Accounts so that the Receiver may perform the job that the Court ordered him to do.

Barry Golden
Counsel for the Receiver
214.999.4746

EXHIBIT AA

LOH, PETER

From: Tine Faasili Ponia [TPonia@southpac.co.ck]
Sent: Friday, November 26, 2010 1:45 PM
To: GOLDEN, BARRY
Cc: Urbanik, Raymond; corky@syllp.com; VOGEL, PETER
Subject: RE: Activity in Case 3:09-cv-00988-F Netsphere Inc et al v. Baron et al Notice (Other)

Dear Barry

Thank you for your email.

Our position remains as set out in our email of 24 November 2010.

Regards,

Tine Faasili Ponia
GENERAL COUNSEL
SOUTHPAC TRUST LIMITED

Phone (682) 20 514
Facsimile (682) 20 667
USA Free Fax 1-800-863-0056
Website www.southpacgroup.com

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If you are not an intended recipient, you must not read, copy, use or disclose this communication to any other person.
Please also notify us immediately by telephoning (682) 20 514, or replying to this communication, and then delete all copies of it from your system.

From: GOLDEN, BARRY [mailto:bgolden@gardere.com]
Sent: Friday, 26 November 2010 9:35 a.m.
To: Tine Faasili Ponia
Cc: 'Urbanik, Raymond'; 'corky@syllp.com'; VOGEL, PETER
Subject: FW: Activity in Case 3:09-cv-00988-F Netsphere Inc et al v. Baron et al Notice (Other)

Dear Tine Faasili Ponia,

I am counsel for the Receiver, and I am writing in response to your e-mail below.

As a threshold issue, the Court has assumed exclusive jurisdiction and taken possession of assets of all of the Receivership Parties, and directed the Receiver to collect, marshal, and take custody of the Receivership Assets. This would include the Receivership Assets that any of the Receivership Parties transferred to, among other places, the Cook Islands. *See U.S. v. Ross*, 302

F.2d 831, 34 (2nd Cir. 1962) (permitting Receiver to obtain stock certificates located in Bahamas).

To the extent that you believe we are mistaken, we would suggest that—in order to preserve the status quo—the Receiver and SouthPac Trust Limited agree to disagree for the moment. In the interim, the Receiver expects SouthPac Trust Limited's full compliance with the Court's Order.

Barry M. Golden | Counsel for the Receiver
Gardere Wynne Sewell LLP

1601 Elm Street, Suite 3000 | Dallas, TX 75201
214.999.4746 direct
214.999.3446 fax

Legal Knowledge. Human Wisdom.

GARDERE

From: Tine Faasili Ponia [mailto:TPonia@southpac.co.ck]

Sent: Wednesday, November 24, 2010 8:40 PM

To: VOGEL, PETER; Corky Sherman; rurbanik@munsch.com; thomas12@swbell.net; glyon.attorney@gmail.com; jamesmeckels@gmail.com; j.cox.email@gmail.com; jeffbaron1@gmail.com; jeff@jeffharbin.com; m.robertson@au.darkblueseacom; Samantha.Eisner@icann.org; amy.stathos@icann.org; enbrady@JonesDay.com; schnabel.eric@dorsey.com; mallard.robert@dorsey.com; dham@reinvent.com; ravinsphere@gmail.com; varak@yahoo.com; conrad@conradherring.com; dean ferguson; C2Coast@aol.com; daubeninc@gmail.com; gpronske@pronskepatel.com; erict@hts-law.com; eschurig@sjbt.com; craig.c@westllp.com; MacPete, John W.; jthallesq@gmail.com; rlurich@flawoffice.com; pkeiffer@wgblawfirm.com; mhayward@fshlaw.com; jrasansky@jrlawfirm.com; fperry@pandblaw.com; sbroome@broomelegal.com; deniskleinfeld@kleinfeld.com; Mark@powerstaylor.com; altaylor@asiacititrust.com; bgarrey@gmail.com; SPhelan@thompsoncoe.com; Brian Mason; Traci_Davis@txnb.uscourts.gov; nancy.s.resnick@usdoj.gov

Subject: RE: Activity in Case 3:09-cv-00988-F Netsphere Inc et al v. Baron et al Notice (Other)

Dear Peter

Thank you for your email and attachment.

We have been advised by the former trustee that The Village Trust was not a party to this proceeding.

The order appointing the receiver is enforceable in the jurisdiction of the United States and not outside of it. As a matter of international law, the order may be enforceable in the Cook Islands but not without the Trust first having the opportunity to be heard in the proceeding. The Trust wasn't heard as it wasn't a party to the proceeding.

The Trust's primary source of funds is from Netsphere therefore this matter maybe purely academic.

As far as we are concerned, our primary obligation is to pay Ondova amounts due to it under the Mutual Settlement Agreement. We will leave the recovery of those funds from Ondova to you to pursue.

Regards,

Tine Faasili Ponia

GENERAL COUNSEL

SOUTHPAC TRUST LIMITED

Phone (682) 20 514

(682) 20 667

Fax 1-800-863-0056

www.southpacgroup.com

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If you are not an intended recipient, you must not read, copy, use or disclose this communication to any other person.

Please also notify us immediately by telephoning (682) 20 514, or replying to this communication, and then delete all copies of it from your system.

From: VOGEL, PETER [mailto:pvogel@gardere.com]

Sent: Wednesday, 24 November 2010 11:49 a.m.

To: Corky Sherman; Raymond J. Urbanik (rurbanik@munsch.com); 'Martin Thomas (thomas12@swbell.net)'; 'Gary G. Lyon (glyon.attorney@gmail.com)'; 'jamesmeckels@gmail.com'; 'j.cox.email@gmail.com'; 'jeffbaron1@gmail.com'; 'jeff@jeffharbin.com'; Tine Faasili Ponia; 'm.robertson@au.darkblueseacom'; 'Samantha.Eisner@icann.org'; 'amy.stathos@icann.org'; 'enbrady@JonesDay.com'; 'schnabel.eric@dorsey.com'; 'mallard.robert@dorsey.com'; 'dham@reinvent.com'; 'ravinsphere@gmail.com'; 'varak@yahoo.com'; 'conrad@conradherring.com'; 'dean ferguson'; 'C2Coast@aol.com'; 'daubeninc@gmail.com'; 'Gerrit Pronske (gpronske@pronskepatel.com)'; 'Eric Taube (erict@hts-law.com)'; 'Elizabeth M. Schurig (eschurig@sjbt.com)'; 'Craig A. Capua (craig.c@westllp.com)'; 'MacPete, John W.'; 'Jeffrey T. Hall (jthallesq@gmail.com)'; 'Ryan Lurich (rlurich@fflawoffice.com)'; 'pkeiffer@wgblawfirm.com'; 'mhayward@fslhlaw.com'; 'jrasansky@jrlawfirm.com'; 'fperry@pandblaw.com'; 'sbroome@broomelegal.com'; 'deniskleinfeld@kleinfeld.com'; 'Mark@powerstaylor.com'; 'altaylor@asiacititrust.com'; 'bgarrey@gmail.com'; 'SPhelan@thompsoncoe.com'; Brian Mason; 'Traci_Davis@txbn.uscourts.gov'; 'nancy.s.resnick@usdoj.gov'

Subject: Activity in Case 3:09-cv-00988-F Netsphere Inc et al v. Baron et al Notice (Other)

Importance: High

Please see Judge Furgeson's Order Appointing Receiver which was just filed.

My counsel and I will follow-up with the Receivership Parties, and on behalf of the Court we expect immediate compliance.

Peter S. Vogel | Receiver
Gardere Wynne Sewell LLP

1601 Elm Street, Suite 3000 | Dallas, TX 75201
214.999.4422 direct
214.914.1839 cell
214.999.3422 fax
Gardere | [Bio](#) | [vCard](#)

GARDERE

From: ecf_txnd@txnd.uscourts.gov [mailto:ecf_txnd@txnd.uscourts.gov]
Sent: Wednesday, November 24, 2010 3:42 PM
To: Courtmail@txnd.uscourts.gov
Subject: Activity in Case 3:09-cv-00988-F Netsphere Inc et al v. Baron et al Notice (Other)

This is an automatic e-mail message generated by the CM/ECF system. Please DO NOT RESPOND to this e-mail because the mail box is unattended.

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U.S. District Court

Northern District of Texas

Notice of Electronic Filing

The following transaction was entered by Vogel, Peter on 11/24/2010 at 3:41 PM CST and filed on 11/24/2010
Case Name: Netsphere Inc et al v. Baron et al
Case Number: 3:09-cv-00988-F
Filer: Peter S Vogel
Document Number: 124

Docket Text:

NOTICE of Order Appointing Receiver filed by Peter S Vogel (Vogel, Peter)

3:09-cv-00988-F Notice has been electronically mailed to:

Case Admin Sup txnb_appeals@txnb.uscourts.gov

Carter Boisvert (Terminated) cboisvert@flawoffice.com

Charla G Aldous caldous@aldouslaw.com, bwalker@aldouslaw.com, edavila@aldouslaw.com, elessem@aldouslaw.com

Craig A Capua craig.c@westllp.com, ldavis@westllp.com

Curt M Covington ccovington@munsch.com, sblackstock@munsch.com

Douglas D Skierski dskierski@fslhlaw.com

E P Keiffer pkeiffer@wgblawfirm.com, bwallace@wgblawfirm.com

Franklin Howard Perry fperry@pandblaw.com, jholmes@pandblaw.com

Gary Gene Lyon glyon.attorney@gmail.com, garylyon@justice.com

Jeffrey H Rasansky jrasansky@jrlawfirm.com, michele@jrlawfirm.com, rwolf@jrlawfirm.com

John W MacPete jmacpete@lockelord.com

Kim M Carpenter kmoses@hswgb.com

Lawrence J Friedman lfriedman@fflawoffice.com

Lee J Pannier lpannier@munsch.com

Mark L Taylor mark@powerstaylor.com, cara@powerstaylor.com

Mark L Taylor mark@powerstaylor.com

Melissa S Hayward mhayward@fslhlaw.com

Peter S Vogel pvogel@gardere.com, psvogel@hotmail.com

Raymond J Urbanik rurbanik@munsch.com

Robert Edward Wolf, Jr rwolf@jrlawfirm.com, shelly.mccart@jrlawfirm.com

Ryan K Lurich rlurich@fflawoffice.com

Stacey G Jernigan sgj_settings@txnb.uscourts.gov, anna_saucier@txnb.uscourts.gov

Stephen L Jones sjones@stephenjoneslaw.com, adavis@stephenjoneslaw.com, kwarner@stephenjoneslaw.com

3:09-cv-00988-F Notice required by federal rule will be delivered by other means (as detailed in the Clerk's records for orders/judgments) to:

The following document(s) are associated with this transaction:

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[STAMP dcecfStamp_ID=1004035775 [Date=11/24/2010] [FileNumber=5211653-0] [4801f314df766ad17f304a7bc1e0eba323b6a8a7e821b17d8a886410228bc87b89849b3163ba1187b8d653429a932b660959f9f0bc083662e973e05847e6a40b]]

EXHIBIT BB

LOH, PETER

From: GOLDEN, BARRY
Sent: Thursday, December 09, 2010 2:51 PM
To: Jeff Harbin
Cc: VOGEL, PETER; LOH, PETER
Subject: RE: Quantec LLC / Novo Point LLC

Mr. Harbin,

I don't recall receiving a response to my prior e-mail. When can we talk about James Eckels and your e-mail to him (from December 7, 2010 at the bottom of the chain). I would like a response, please.

Barry Golden

From: GOLDEN, BARRY
Sent: Wednesday, December 08, 2010 2:20 PM
To: Jeff Harbin
Cc: VOGEL, PETER; LOH, PETER
Subject: FW: Quantec LLC / Novo Point LLC

Mr. Harbin,

Are you available for a call tomorrow to talk about this? If so, please propose a time.

Barry Golden

From: GOLDEN, BARRY
Sent: Tuesday, December 07, 2010 6:59 PM
To: james eckels
Cc: Jeff Harbin; Joshua Cox; system.quasar; LOH, PETER; VOGEL, PETER
Subject: Re: Quantec LLC / Novo Point LLC

Jeff Harbin is not acting under any instruction of the Receiver or his counsel. In fact, I am utterly confused by Jeff Harbin's email and intend to follow up with Jeff Harbin tomorrow.

James, I look forward to our conference call at 9:00 a.m.

Sent from my iPad

On Dec 7, 2010, at 6:44 PM, "james eckels" <jamesmeckels@gmail.com> wrote:

Jeff:

No problem. Would love to continue on as we're finally getting some traction on some issues, but I understand your position.

A few follow up issues need to be addressed:

1. Quasar is listed as the domain registrant with Fabulous.com, as Quasar is the account holder and TIPA and Oakwood Services were not desired to be listed as the registrant. Yesterday, you mentioned another entity had been created to replace Quasar. May I have that information changed at Fabulous so that I stop getting the UDRP notices, etc.? Otherwise, I will have to charge Quantec LLC for my time associated with managing the mail, notices, etc. it receives.
2. Are you directing me not to participate in the teleconference tomorrow with the Receiver Parties on Quantec's behalf? If not me, is there someone else who will be there?
3. I'll need to formally withdraw from the BK case. I'll prepare that motion and file it later this week and send you a copy of the ruling for your file.
4. Corenetworks, Greendot., BBVA Compass accounts...all of these are associated with Quasar, etc. Please let me know to whom I can assign all of these accounts so that nothing is missed, lost, etc.

Thanks,

James

On Tue, Dec 7, 2010 at 6:14 PM, Jeff Harbin <jeff@jeffharbin.com> wrote:
James -

I want to thank you for all your efforts in getting the domain names transferred to Fabulous after the date you set for your resignation. It truly was above and beyond the call of duty. I also appreciate your attendance at the meeting with Peter yesterday. As the LLC's are not currently in position to pay you any further for your services, or to even request that you reconsider your decision to resign, I hereby acknowledge that you are no longer legal counsel for either Quantec LLC or Novo Point LLC, and that the management services of Quasar, LLC are no longer required. You are also instructed not to share any further client information with any outside party.

Jeff Harbin
Manager

--

Jeffrey L Harbin PC
6503 Camille Ave
Dallas, TX 75252-5436
972.758.8600 Phone
972.985.3983 Fax
jeff@jeffharbin.com

As to the next paragraph of this e-mail, the IRS has changed the way we all

must practice when giving tax advice. You will begin to see all professionals who practice before the IRS (attorneys and accountants) putting this disclaimer in any advice they give. This does not at all change the degree of care we take to provide the highest quality advice on a cost-efficient basis.

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James M. Eckels, Esq.
Dallas, TX
562 899 0879 mobile
972 439 1882 office
jamesmeckels@gmail.com

EXHIBIT CC

LOH, PETER

From: GOLDEN, BARRY
Sent: Tuesday, December 14, 2010 8:53 AM
To: 'Mike Robertson'
Cc: VOGEL, PETER; BLAKLEY, JOHN DAVID; LOH, PETER; 'james eckels'; 'Urbanik, Raymond'; 'Corky Sherman'; 'Jeff Baron'; 'Damon Nelson'; 'Joshua Cox'; 'Gary Schepps'; 'tpj@dfwlawyer.com'; 'Jeff Harbin'
Subject: Unauthorized Attempt to Access Domain Names

Mike,

The Receiver has NOT granted Jeff Harbin permission to access these accounts.

Specifically, the following individuals (all of whom I am copying) are NOT representatives of the Receiver, and Fabulous.com should not be taking instructions from any of them relating to the domain names:

1. Jeff Harbin (not a representative of the Receiver, and Fabulous.com should NOT be accepting his instructions);
2. Jeff Baron (not a representative of the Receiver, and Fabulous.com should NOT be accepting his instructions);
3. Joshua Cox (not a representative of the Receiver, and Fabulous.com should NOT be accepting his instructions);
4. Thomas Jackson (not a representative of the Receiver, and Fabulous.com should NOT be accepting his instructions);
5. Gary Schepps (not a representative of the Receiver, and Fabulous.com should NOT be accepting his instructions).

Should any other individual seek access to the domain names or attempt to give Fabulous.com any instructions with regard to these domain names, and should you have any question as to whether that individual is a representative of the Receiver, please do not hesitate to contact Peter Vogel (the Receiver), Peter Loh (counsel for the Receiver) or me.

Please let me know if you have any other questions.

Barry Golden
Counsel for the Receiver

From: Mike Robertson [mailto:m.robertson@fabulous.com]
Sent: Tuesday, December 14, 2010 12:41 AM
To: 'Jeff Harbin'

Cc: VOGEL, PETER; GOLDEN, BARRY; BLAKLEY, JOHN DAVID; LOH, PETER; 'james eckels'
Subject: RE: Quantec LLC / Novo Point LLC

Hi Jeff,

Hope you had a good weekend.

Can you please co-ordinate with the Receiver for access to the account.

So everyone is aware, Fabulous.com does allow sub-users to be created. And each sub-user can be granted different levels of access/permissions. To set these up, all you need to do is go to the Admin > Manage User page.

If there's any questions or you need further assistance, please let me know.

Cheers,

Mike

Mike Robertson
Business Development Manager

Fabulous.com
Dark Blue Sea
Suite 2, 47 Warner St
Fortitude Valley, QLD 4006
AUSTRALIA

Phone: +61 7 3007 0042
Fax: +61 7 3007 0075
Email: mike@fabulous.com
IM: [mikefabulous](#) (Skype)
m.robertson@fabulous.com (Windows)

 [LinkedIn profile](#)

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From: Jeff Harbin [<mailto:jeff@jeffharbin.com>]
Sent: Tuesday, 14 December 2010 9:58 AM
To: Mike Robertson
Subject: Re: Quantec LLC / Novo Point LLC

Mike -

Apparently when we changed the email for the account the other day to manager.urdmc@gmail.com, it reset the log in name and password on our account, and now it appears no one has access to our Fabulous account. Can we assign a log in name and then let me go choose a password?

Jeff

On 12/10/10 1:04 AM, Mike Robertson wrote:

Hi Jeff,

There's only one account that all the domains are under, the username is, quasar.

For security reasons, unfortunately I'm unable to send the password via standard email. I would touch base with James Eckles, as I believe he was the one that originally setup the account.

Alternatively, I can reset the password on the account and a new one will be issued to your email, jeff@jeffharbin.com.

Let me know how you want to proceed.

Because the November renewals haven't been processed yet, as discussed, they will be automatically processed (unless we send a delete command) 45 days after expiry.

You can see an Finance transactions that have occurred under the Finance > Invoice History page. If you would prefer, I can give you a call walk you through the Fab Admin next week.

Unfortunately we don't have an area that estimates upcoming renewal costs. However, James sent me the attached doc awhile back which you might find useful.

If you have any other questions or need assistance with anything, please don't hesitate in contacting me.

Enjoy your weekend.

Mike

Mike Robertson
Business Development Manager

Fabulous.com
Dark Blue Sea
Suite 2, 47 Warner St
Fortitude Valley, QLD 4006
AUSTRALIA

Phone: +61 7 3007 0042
Fax: +61 7 3007 0075
Email: mike@fabulous.com
IM: mkefabulous (Skype)
m.robertson@fabulous.com (Windows)

 [LinkedIn profile](#)

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From: Jeff Harbin [<mailto:jeff@jeffharbin.com>]
Sent: Friday, 10 December 2010 9:00 AM
To: Mike Robertson
Subject: Quantec LLC / Novo Point LLC

Mike -

Will you provide me with the user name and password for each of these entities? I seem to have been left out of the loop accidentally when that data was applied for.

Also, as a newbie to your dashboard, am I going to be able to see how much each entity was billed was billed for November and December registration fees? Is there a way to know or at least estimate the fees that will be due in January? I guess it's the CPA coming out in me.

Jeff

Jeffrey L Harbin PC
6503 Camille Ave
Dallas, TX 75252-5436
972.758.8600 Phone
972.985.3983 Fax
jeff@jeffharbin.com

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Jeffrey L Harbin PC
6503 Camille Ave
Dallas, TX 75252-5436
972.758.8600 Phone
972.985.3983 Fax
jeff@jeffharbin.com

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EXHIBIT DD

LOH, PETER

From: LOH, PETER
Sent: Wednesday, December 01, 2010 6:02 PM
To: 'jeffbaron1@gmail.com'
Cc: VOGEL, PETER; LOH, PETER; GOLDEN, BARRY
Subject: Receiver's Disbursement of Funds

Mr. Baron: Good evening. My name is Peter Loh. I am one of the attorneys working for the Receiver in this matter. The Order Appointing Receiver provides that "the Receiver shall immediately have the following express powers and duties . . . [t]o make payments and disbursements from the Receivership Estate that are necessary or advisable for carrying out the directions of, or authority granted by, this order." To that end, the Receiver is arranging for a check to be issued to you for certain of your daily living expenses.

The Receiver will determine the appropriate amounts to be disbursed and in what time periods on a going forward basis. In fact, the amounts disbursed and time periods for disbursement may vary slightly or greatly. The Receiver is still making a determination in this regard and will likely require additional information from you and other parties which will be detailed at a later date.

Thank you.

Peter L. Loh | Partner
Gardere Wynne Sewell LLP
1601 Elm Street, Suite 3000 | Dallas, TX 75201
214.999.4391 direct
214.729.9058 cell
214.999.3391 fax
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EXHIBIT EE

LOH, PETER

From: LOH, PETER
Sent: Thursday, December 02, 2010 4:23 PM
To: 'jeffbaron1@gmail.com'
Cc: VOGEL, PETER; GOLDEN, BARRY; LOH, PETER; BLAKLEY, JOHN DAVID
Subject: RE: Jeff Baron Receivership

Mr. Baron: I am counsel for the Receiver. Please confirm your current address and phone number.

Peter L. Loh | Partner
Gardere Wynne Sewell LLP
1601 Elm Street, Suite 3000 | Dallas, TX 75201
214.999.4391 direct
214.729.9058 cell
214.999.3391 fax
[Gardere](#) | [Bio](#) | [vCard](#)

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From: jeffbaron1@gmail.com [mailto:jeffbaron1@gmail.com]
Sent: Thursday, December 02, 2010 4:18 PM
To: VOGEL, PETER
Cc: LOH, PETER
Subject: RE: Jeff Baron Receivership

Dear Mr. Vogel,

Thank you for your email. I do want this account established, but now that I am without legal counsel, I am scared about what my rights and obligations are and how to communicate with you. I would like to renew my request for funds to hire counsel to advise on these issues and to communicate with you.

Thank you for your consideration.

Jeff

From: VOGEL, PETER [mailto:pvogel@gardere.com]
Sent: Thursday, December 02, 2010 1:20 PM
To: LOH, PETER; 'jeffbaron1@gmail.com'
Cc: GOLDEN, BARRY; BLAKLEY, JOHN DAVID
Subject: Re: Jeff Baron Receivership

Mr. Baron,

I'm in Comerica Bank at this moment & need this information as soon as possible so we can complete opening the account. We will bring you a signature card & checks this afternoon so the sooner we get this information the better.

Thank you,

Peter Vogel,
Receiver

From: LOH, PETER
To: 'jeffbaron1@gmail.com' <jeffbaron1@gmail.com>
Cc: VOGEL, PETER; GOLDEN, BARRY; LOH, PETER; BLAKLEY, JOHN DAVID
Sent: Thu Dec 02 13:14:38 2010
Subject: Jeff Baron Receivership

Mr. Baron: I am counsel for the Receiver, Peter Vogel, in this case. The Order Appointing Receiver provides that "the Receiver shall immediately have the following express powers and duties . . . [t]o make payments and disbursements from the Receivership Estate that are necessary or advisable for carrying out the directions of, or authority granted by, this order." To that end, the Receiver is establishing a bank account that he will fund so that you may have access to money. In order to give you signature authority on the account, we need certain personal information, i.e. birthdate, social security number, driver's license number, address, and phone number.

Please note that the Receiver will determine the appropriate amounts to be disbursed into the account and in what time periods on a going forward basis. In fact, the

amounts disbursed and time periods for disbursement may vary slightly or greatly. The Receiver is still making a determination in this regard and will likely require additional information from you and other parties which will be detailed at a later date.

Can you please call me at the number below or respond to this email with the information requested above? Thank you.

Peter L. Loh | Partner
Gardere Wynne Sewell LLP
1601 Elm Street, Suite 3000 | Dallas, TX 75201
214.999.4391 direct
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EXHIBIT FF

GARDERE

attorneys and counselors ■ www.gardere.com

Direct: 214-999-4746
Direct Fax: 214-999-3746
hgolden@gardere.com

December 2, 2010

Mr. Jeffrey Baron
2200 E. Trinity Mills Rd #106
Carrollton, TX 75006-7892

Via Hand Delivery

Re: *In re: Ondova Limited Company, Debtor*, Case No. 3:09-cv-0988, in the United States District Court for the Northern District of Texas, Dallas Division (the "Lawsuit").

Dear Mr. Baron,

I am counsel for the Receiver, Peter Vogel, in the Lawsuit.

As you are aware, the Order Appointing Receiver provides that "the Receiver shall immediately have the following express powers and duties . . . [t]o make payments and disbursements from the Receivership Estate that are necessary or advisable for carrying out the directions of, or authority granted by, this order." To that end, the Receiver is establishing a bank account that he will fund so that you may have access to money. In order to give you authority on the account, we will need your signature (for which we will be following up with you by separate correspondence).

In the interim, and in order to provide you with funds to pay for certain daily living expenses, enclosed is a check for \$1,000 drawn from the Receiver's own personal bank account. The Receiver will, of course, seek full reimbursement of this amount from the Receiver Assets.

If you have any questions, please do not hesitate to contact me.

Mr. Jeffrey Baron
December 2, 2010
Page 2

Very truly yours,

A handwritten signature in black ink, appearing to read "B. M. Golden". The signature is fluid and cursive, with the first name "B." and last name "Golden" clearly distinguishable.

Barry M. Golden
Counsel for the Receiver

c: Peter S. Vogel, Receiver (via e-mail)
Peter L. Loh, Counsel for Receiver (via e-mail)

PETER S. VOGEL
ATTORNEY AT LAW
1801 ELM ST STE 3000
DALLAS, TX 75201-4757
214-999-4422

COMERICA BANK
DALLAS, TEXAS
32-76/1110

3530

12/2/2010

PAY TO THE ORDER OF Jeffrey Baron

\$ **1,000.00

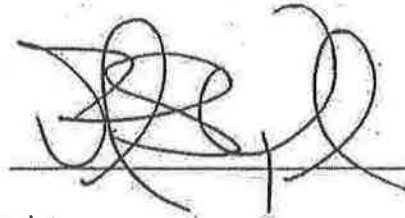
One Thousand Only*****

DOLLARS

MEMO

Miscellaneous Expenses

⑈003530⑈ ⑆121000753⑆ 7001340376⑈



PETER S. VOGEL

3530

Jeffrey Baron
Receivership Payment

12/2/2010

1,000.00

Peter S. Vogel, Attorney- Miscellaneous Expenses

1,000.00

EXHIBIT GG

GARDERE

attorneys and counselors ■ www.gardere.com

Tel: 214-999-4391
Fax: 214-999-3391
ploh@gardere.com

December 3, 2010

Jeffrey Baron
2200 E. Trinity Mills Rd. #106
Carrollton, Texas 75006-7892

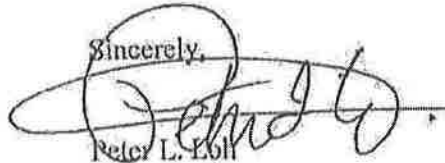
Re: Signature as Authorized Signer to Account for Peter S. Vogel, Receiver

Dear Mr. Baron,

As counsel for Peter S. Vogel, Receiver, I have sent this Business Deposit Account Signature Document via courier for your signature to become an authorized signer and agent to the account. I have also sent you ten blank checks to draw on the account. In order to have access to the account, you must sign the Signature Document where indicated. Please sign the document and return to me via the courier delivering the same.

Please note that the Receiver will determine the appropriate amounts to be disbursed into the account and in what time periods on a going forward basis. In fact, the amounts disbursed and time periods for disbursement may vary slightly or greatly. The Receiver is still making a determination in this regard and will likely require additional information from you and other parties which will be detailed at a later date.

Sincerely,



Peter L. Ebb

Encl.



BUSINESS DEPOSIT ACCOUNT SIGNATURE DOCUMENT- Texas

Account(s) Registration: Peter S Vogel Receiver For Jeffrey Baron	For Account Number(s): 1881328589	Type(s): Basic Business Checking
	Bank Use Only:	Opened by: La Sonya K Williams
	Opening Date 12/02/2010	Effective Date
		Approved by / Date: Office No. 761

ACCOUNT OWNER (BUSINESS ENTITY) INFORMATION

Taxpayer/Employer Identification Number (TIN/EIN) 75-1764643

The capitalized terms and the words "you" and "your" used on this Business Account Signature Document have the same meaning given to them in the Comerica Business and Personal Deposit Account Contract ("Contract").

ACCOUNT TERMS AND CONDITIONS: ACCOUNT TERMS, INCLUDING ALL SERVICES AND PRODUCTS SELECTED, AND CONDITIONS
By signing this Business Account Signature Document in the AUTHORIZED SIGNATURE(S) box below, you agree:

- The Contract terms will apply to the Account(s) and related services and products designated on this Business Account Signature Document; (which includes a Fee Brochure, Card-IVR Application Receipt, and, an APY disclosure, if applicable) which you have received;
1. There are no unwritten agreements about overdraft protection or any other matter related to the Account(s);
 2. The Authorized Signature of each Authorized Signer has been placed on this Business Account Signature Document or an approved attachment to this Business Account Signature Document and You will provide the Bank with timely information of any changes to Authorized Signers;
 3. Any dispute regarding the Account(s) that cannot be resolved without formal litigation will be resolved in the manner described in the Contract;
 4. THAT YOU HAVE THOROUGHLY REVIEWED THIS BUSINESS ACCOUNT SIGNATURE DOCUMENT TO ENSURE ALL PRODUCTS AND SERVICES YOU HAVE CHOSEN ARE INCLUDED AND THAT NO OTHER PRODUCT OR SERVICE WILL BE PROVIDED except to the extent You and the Bank execute other written agreements for other products and/or services; and
 5. That you have reviewed and consent to the provisions of the Business Check Card/ATM/IVR Application, Web Banking, Web Bill Pay Receipt, if applicable.

AUTHORIZED SIGNERS AND AUTHORIZED SIGNATURES OF PEOPLE THAT MAY CONDUCT ACCOUNT TRANSACTIONS (TREASURY MANAGEMENT SERVICES AND TRANSACTIONS ARE COVERED BY SEPARATE WRITTEN AGREEMENT BETWEEN YOU AND THE BANK.)

Signature	Name	Title	Identification No/Type (as Bank requires)
	Peter S Vogel	Authorized Signer	0086354 / Drivers License
	Jeffrey Baron	Authorized Signer	/
	Barry Golden	Authorized Signer	/
	Peter Loh	Authorized Signer	/

Attachments. Attach additional names and signatures, including Simulated Signatures.

ELECTRONIC TRANSFER SERVICES:

I(we) request all of the following:
EZ Perks Standard

Fees: Fees for use of the Card and IVR, if any, are contained in the Business Account Services and Charge and Interest Information Brochure for the linked Account.

ACCEPTANCE OF ABOVE DESCRIBED PRODUCTS/SERVICES AND TERMS AND CONTRACT TERMS
The undersigned is/are authorized by the Account Owner to enter into this Contract on behalf of the Account Owner:

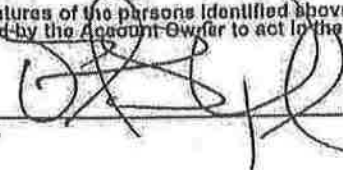
Second Authorized Agent, if required by Customer

Signature Peter S. Vogel
Name Receiver
Title _____
Date 12/2/2010

Signature Jeffrey Baron
Name Authorized Signer
Title _____
Date 12/2/2010

Certification of Signatures of Authorized Signers and authorized agents:

The Signatures of the persons identified above as Authorized Signers and authorized agents are those of the persons identified and such persons are authorized by the Account Owner to act in the capacity as indicated in this Document:


Signature 

Receiver
Title (Corp Secretary, Partner, LLC Manager/Member or Sole Proprietor)

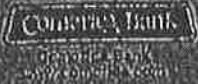
REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (SUBSTITUTE FORM W-9) *The IRS does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.*

I have read the detailed instructions concerning backup withholding and taxpayer identification numbers and I CERTIFY UNDER PENALTIES OF PERJURY THAT (1) the number shown on the Business Signature Document is my correct taxpayer identification number and (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS notified me that I am no longer subject to backup withholding and (3) I am a U.S. person (including a U.S. resident alien). (Instructions to signer: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you failed to report all interest and dividends on your tax return.)

Note: Exempt recipients, as described in Section 1.6069-4(c) of the Federal Tax Regulations, are not subject to backup withholding. Non U.S. persons (nonresident aliens) who are not subject to backup withholding are required to sign the appropriate Form W-8 or Substitute W-8BEN Bank form.

Authorized Agent _____ Signature  Date 12/2/2010

Welcome



The enclosed temporary checks have your account number printed on them. Please use these while your checks are being printed. When you receive your regular order, please destroy any unused temporary checks. Thank you for joining us this pleasant afternoon.

9001
25-78/1110
781

DATE _____

PAY TO THE ORDER OF _____

\$ _____

DOLLARS



FOR _____

⑆00900⑆ ⑆111000753⑆ 1881326589⑆

9009
25-78/1110
781

DATE _____

PAY TO THE ORDER OF _____

\$ _____

DOLLARS



FOR _____

⑆009009⑆ ⑆111000753⑆ 1881326589⑆

EXHIBIT III

AFFIDAVIT OF KEMPER BUSKIRK


BEFORE ME, the undersigned authority, on this day personally appeared KEMPER BUSKIRK, who after being by me duly sworn on oath states. I have personal knowledge of the facts and statements contained in this affidavit and agree that each is true and correct.

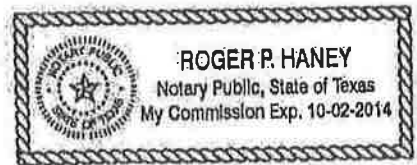
"My name is KEMPER BUSKIRK. I am over eighteen (18) years of age and am competent to make this affidavit.

I picked up a package on December 6th, 2010 from Special Delivery Service, for Gardere, Wynne, Sewell L L P, 1601 Elm Street, Suite 2600, Dallas, TX 75201 going to Jeffrey Baron, 2200 Trinity Mills Road, # 106, Carrollton, TX 75006. When I arrived at 3:30 p.m. there was no one home and I was instructed to take the package back to Gardere, Wynne, Sewell L L P.


Kemper Buskirk

SUBSCRIBED AND SWORN TO before me this 9 day of December 2010.


Notary Public in and for
The State of Texas



AFFIDAVIT OF LAWTON SENDERLING

BEFORE ME, the undersigned authority, on this day personally appeared Lawton Senderling, who after being by me duly sworn on oath states:

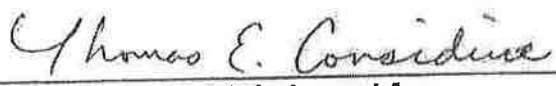
"My name is LAWTON SENDERLING. I am over eighteen (18) years of age and am competent to make this affidavit. I have personal knowledge of the facts and statements contained in this affidavit and agree that each is true and correct.

I picked up a package on December 6th, 2010 from the Special Delivery Service Offices for Gardere, Wynne Sewell L L P, 1601 Elm Street, Suite 2600, Dallas, TX 75201 going to Jeffrey Baron at 2200 E. Trinity Mills Road, # 106, Carrollton, TX 75006. I arrived at 10:58 a.m. and there was no answer when I knocked on the door. I was instructed to take the package back to the Special Delivery Service office.

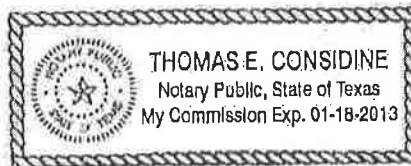


LAWTON SENDERLING

SUBSCRIBED AND SWORN TO before me this 9th day of December, 2010.



**Notary Public in and for
The State of Texas**



AFFIDAVIT OF ROBERT MAHAFFEY

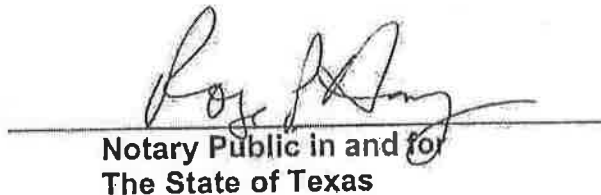
BEFORE ME, the undersigned authority, on this day personally appeared ROBERT MAHAFFEY, who after being by me duly sworn on oath states:

"My name is Robert Mahaffey. I am over eighteen (18) years of age and am competent to make this affidavit. I have personal knowledge of the facts and statements contained in this affidavit and agree that each is true & correct.

I received a package on December 3rd, 2010, from Gardere, Wynne, Sewell L L P, 1601 Elm Street, Suite 2600, Dallas, TX 75201 going to the residence of Jeffrey Baron, 2200 E. Trinity Mills Road, #106, Carrollton, TX 75006. When I arrived at 5:50 p.m. There were no lights on and no one answered the door.


Robert Mahaffey

SUBSCRIBED AND SWORN TO before me this 6 day of December, 2010.


Notary Public in and for
The State of Texas

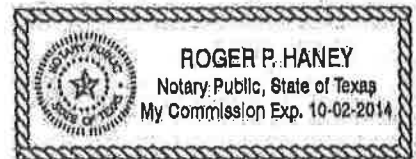


EXHIBIT II

LOH, PETER

From: GOLDEN, BARRY
Sent: Friday, December 03, 2010 1:29 PM
To: Jeff Baron
Cc: VOGEL, PETER; LOH, PETER
Subject: Funds for Medical Care and Medicine

Mr. Baron,

Just now, we received an “Emergency Motion to Vacate Order Appointing Receiver and in the Alternative, Motion to Stay Pending Appeal, and Brief in Support.” For your convenience, we are attaching a copy.

While we are still reviewing the motion, one issue jumps out. In paragraph 10 on page 6, the motion reads that you “cannot go to an independent doctor because the receiver has his money.” We were surprised to read that statement, as yesterday at 5:45 p.m., we delivered to you a \$1,000 check to be used for, among other things, medical care and medicine. (Attorney Sid Chesnin—purporting to speak on your behalf and copying you on his correspondence—previously sent us the attached e-mail proposing a monthly budget for you of \$3,600, which would be equivalent to approximately \$900 per week; and, as you know, the Receivership Order has been in place for a little more than a week.)

If you require additional and immediate funds for an independent doctor or any other medical care, please advise us immediately. In the meantime, and as we previously advised you, we are in the process of setting up bank accounts that would allow you to have access to certain funds on a more regular basis. To that end, we have been previously, and we will continue to be seeking your signature on a bank-signature card (which we will address in separate correspondence).

Barry Golden
Counsel for the Receiver

EXHIBIT JJ

LOH, PETER

From: GOLDEN, BARRY
Sent: Friday, December 03, 2010 5:40 PM
To: 'legal@schepps.net'
Subject: Baron Receivership

Gary,

It was good talking to you earlier this evening.

As I mentioned on the call, I've now had the opportunity to read your *Emergency Motion to Vacate Order Appointing Receiver and in the Alternative, Motion for Stay Pending Appeal, and Brief in Support*. I also read the accompanying affidavit.

I understand that Mr. Baron will be seeking a Court ruling that stays the enforcement of the Receiver Order. Until and unless such a stay occurs, however, the Receiver Order is in place, and as counsel for the Receiver, I must comply with that Order.

So, with that in mind, I am hopeful that—as you suggested during our call—you (and Mr. Baron, if you and he wish) and I can have a face-to-face meeting on Monday. At the meeting, I'd like to discuss each and every one of the issues Mr. Baron raises in his affidavit. At the same time, I'd like us to begin working in conjunction so that we can (a) achieve the goals set forth in the Receiver Order, and at the same time, (b) provide Mr. Baron with a much higher level of comfort than he is obviously experiencing right now. As an example of the latter, I'd like to work with Mr. Baron to determine his financial needs for daily living and the best ways to get money to him.

To put it simply, until the Receiver Order is lifted, I am charged with complying with the Receiver Order. And at the same time, I want Mr. Baron to be both physically and emotionally healthy. I don't necessarily think that those two goals need to be mutually exclusive, and hopefully, Mr. Baron would agree.

As I mentioned on the phone, if any issues arise over the weekend, please do not hesitate to e-mail me or call me (cell number is 214.893.9034; work number is 214.999.4746). As for what happens after the weekend, would you like me to come to your office on Monday morning—maybe around 9:00 or 9:30?

Regards,

Barry Golden
Counsel for the Receiver

EXHIBIT KK

LOH, PETER

From: GOLDEN, BARRY
Sent: Wednesday, December 08, 2010 11:28 AM
To: 'Gary Schepps'
Cc: Jeff Baron; VOGEL, PETER; LOH, PETER
Subject: Jeff Baron - Medical Issues

Gary,

I understand your position that the scope of your representation is limited to the appeal. I am nonetheless writing in response to a statement you wrote in an e-mail to me on Monday that Mr. Baron "is unable to control his blood sugar level and needs to be able to go to the doctor, and he wants to have a nurse come and help him deal with his situation."

I understand that Mr. Baron cashed Mr. Vogel's \$1,000 check, and hopefully, Mr. Baron used some of those funds to go to the doctor. If I'm wrong, please let know, and we'll figure out what to do next. In the meantime, we're working on getting another check to Mr. Baron for daily-living expenses such as additional doctor visits.

As far as retaining a nurse, does Mr. Baron have a particular nursing service in mind? Perhaps it would make sense if he (or you) told us the name of the nursing company that Mr. Baron would like to retain and the amount of the check that he would need the Receiver to cut to pay for the nurse, and we'll get this moving as quickly as possible.

Barry Golden
Counsel for the Receiver

EXHIBIT LL

LOH, PETER

From: jeffbaron1@gmail.com
Sent: Wednesday, December 08, 2010 8:59 PM
To: LOH, PETER
Subject: RE: Jeff Baron Receivership--Insurance Needs
Attachments: image001.png

Dear Mr. Loh,

I truly desire to communicate with you, but I am not an attorney and I do not know what my rights or obligations are. I want to be represented by an attorney. I want that attorney to communicate with you on my behalf. Please forward Mr. Schepps \$50,000.00 immediately, and allow me to sign a contract with him, so that I may retain him to represent me.

Jeff

From: LOH, PETER [mailto:ploh@gardere.com]
Sent: Wednesday, December 08, 2010 4:23 PM
To: 'jeffbaron1@gmail.com'; 'legal@schepps.net'
Cc: VOGEL, PETER; GOLDEN, BARRY; LOH, PETER; BLAKLEY, JOHN DAVID
Subject: Jeff Baron Receivership--Insurance Needs

Mr. Baron: It is the Receiver's understanding that the Trustee is currently paying for your health insurance. What other insurance needs do you have, i.e. home, automobile, etc. that you would like the Receiver to pay the premiums on? Please let us know, and we will see about taking care of these payments for you.

Thank you.

Peter L. Loh | Counsel for the Receiver
Gardere Wynne Sewell LLP
1601 Elm Street, Suite 3000 | Dallas, TX 75201
214.999.4391 direct
214.729.9058 cell
214.999.3391 fax
[Gardere](#) | [Bio](#) | [vCard](#)

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GARDERE

IRS CIRCULAR 230 DISCLOSURE:

This communication has not been prepared as a formal legal opinion within the procedures described in Treasury Department Circular 230. As a result, we are required by Treasury Regulations to advise you that for any significant Federal tax issue addressed herein, the advice in this communication (including any attachments) was not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer.

NOTICE BY GARDERE WYNNE SEWELL LLP

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Unless expressly stated otherwise, nothing contained in this message should be construed as a digital or electronic signature, nor is it intended to reflect an intention to make an agreement by electronic means.

EXHIBIT MM

LOH, PETER

From: GOLDEN, BARRY
Sent: Friday, December 10, 2010 6:06 PM
To: Jeff Baron
Cc: 'Gary Schepps'; VOGEL, PETER; LOH, PETER; BLAKLEY, JOHN DAVID; 'Corky Sherman'; 'Roossien, Dennis'; 'Raymond Urbanik'
Subject: FW: Jeff Baron Receivership--Insurance Needs
Attachments: image001.png; Order.pdf

Mr. Baron,

Peter Loh forwarded me your e-mail below.

Pursuant to the attached, the Court has ordered "that the Receiver not employ a new lawyer for Baron or release funds to allow Baron to hire or pay for a new lawyer until further order of the Court." Accordingly, the Receiver cannot forward Mr. Schepps \$50,000.00 immediately or enter into a contract to employ Mr. Schepps, since that would be in violation of the attached Order.

As to Mr. Loh's question about insurance premiums, if you want the Receiver to pay for any insurance other than health insurance (which we understand is currently being paid for through the Trustee), please provide us with the name and phone number of the insurance agent, or some other way for us to get this done. If you choose not to provide us with this information, we will be unable to pay for any premiums, and your insurance may expire, leaving you without your desired coverage.

Regards,

Barry Golden
Counsel for the Receiver

From: jeffbaron1@gmail.com <jeffbaron1@gmail.com>
To: LOH, PETER
Sent: Wed Dec 08 20:58:34 2010
Subject: RE: Jeff Baron Receivership--Insurance Needs

Dear Mr. Loh,

I truly desire to communicate with you, but I am not an attorney and I do not know what my rights or obligations are. I want to be represented by an attorney. I want that attorney to communicate with you on my behalf. Please forward Mr. Schepps \$50,000.00 immediately, and allow me to sign a contract with him, so that I may retain him to represent me.

Jeff

From: LOH, PETER [mailto:ploh@gardere.com]
Sent: Wednesday, December 08, 2010 4:23 PM
To: 'jeffbaron1@gmail.com'; 'legal@schepps.net'
Cc: VOGEL, PETER; GOLDEN, BARRY; LOH, PETER; BLAKLEY, JOHN DAVID
Subject: Jeff Baron Receivership--Insurance Needs

Mr. Baron: It is the Receiver's understanding that the Trustee is currently paying for your health insurance. What other insurance needs do you have, i.e. home, automobile, etc. that you would like the Receiver to pay the premiums on? Please let us know, and we will see about taking care of these payments for you.

Thank you.

Peter L. Loh | Counsel for the Receiver
Gardere Wynne Sewell LLP
1601 Elm Street, Suite 3000 | Dallas, TX 75201
214.999.4391 direct
214.729.9058 cell
214.999.3391 fax
[Gardere](#) | [Bio](#) | [vCard](#)

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GARDERE

IRS CIRCULAR 230 DISCLOSURE:

This communication has not been prepared as a formal legal opinion within the procedures described in Treasury Department Circular 230. As a result, we are required by Treasury Regulations to advise you that for any significant Federal tax issue addressed herein, the advice in this communication (including any attachments) was not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer.

NOTICE BY GARDERE WYNNE SEWELL LLP

This message, as well as any attached document, contains information from the law firm of Gardere Wynne Sewell LLP that is confidential and/or privileged, or may contain attorney work product. The information is intended only for the use of the addressee named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this message or its attachments is strictly prohibited, and may be unlawful. If you have received this message in error, please delete all electronic copies of this message and its attachments, if any, destroy any hard copies you may have created, without disclosing the contents, and notify the sender immediately. Unintended transmission does not constitute waiver of the attorney-client privilege or any other privilege.

Unless expressly stated otherwise, nothing contained in this message should be construed as a digital or electronic signature, nor is it intended to reflect an intention to make an agreement by electronic means.

EXHIBIT NN

GARDERE

attorneys and counselors ■ www.gardere.com

Tel: 214-999-4391
Fax: 214-999-3391
ploh@gardere.com

December 8, 2010

Jeffrey Baron
2200 E. Trinity Mills Rd. #106
Carrollton, Texas 75006-7892

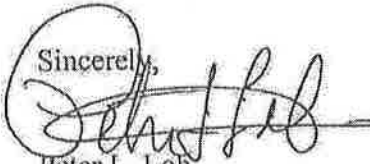
Via Hand Delivery

Re: Check to Jeffrey Baron for daily living expenses

Dear Mr. Baron,

As counsel for Peter S. Vogel, Receiver, I have sent this check for two thousand and six hundred dollars (\$2,600.00) to you via courier for your daily living expenses, including your medical care. The check is drawn on an account set up by the Receiver specifically for performance of his receivership duties.

Please note that the Receiver will determine the appropriate amounts to be disbursed to you from this account and in what time periods on a going forward basis. In fact, the amounts disbursed and time periods for disbursement may vary slightly or greatly. The Receiver is still making a determination in this regard and will likely require additional information from you and other parties which will be detailed at a later date.

Sincerely,

Peter L. Loh

Encl.

Security enhanced document. See back for details.

9000
32-79/1110
781

DATE December 8, 2010

PAY TO THE ORDER OF

Jeffrey Baron

\$ 2600 ^{XX}

Two Thousand and Six hundred ^{XX}

DOLLARS



Comerica Bank
www.comerica.com

FOR Living Expenses & Medical Care

[Signature]

COUNSEL FOR RECEIVER

⑆009000⑆ ⑆111000753⑆ 1881384463⑆

DELIVER IN SAFETY

EXHIBIT 00

LAW OFFICE
OF
THOMAS P. JACKSON
Attorney and Counselor
4835 LBJ Freeway
Suite 450
Dallas, Texas 75244
(972) 387-0007
Fax (972) 387-8707
Email tpj@dfwlwyer.com

December 10, 2010

Via Email: ploh@gardere.com

Peter Loh
Gardere Wynne Sewell, LLP
1601 Elm Street, Suite 3000
Dallas, Texas 75201-4757

Re: Netsphere Inc. Manila Industries, Inc.; and Munish Krishan vs. Jeffrey Baron and Ondova Limited Company, Civil Action Number 3-09CV0988-F

Dear Mr. Loh:

As we discussed, I have been retained to represent Quantec, L.L.C., and Novo Point, L.L.C in the referenced litigation. I am writing to you as the attorney for the receiver appointed in the referenced matter. While I am sure you can appreciate that my investigation into the facts of the case is ongoing, based upon my initial review, and my interview with the manager of these entities, my initial conclusion is that these entities are not subject to the Receivership Order dated November 24, 2010. As you are aware, no finding of alter ego has been made.

Notwithstanding the foregoing, my clients desire to cooperate with your client. As I am sure you are aware, Quantec, L.L.C. and Novo Point, L.L.C. are ongoing, operational businesses with ongoing operating expenses. I have been advised that the following bills are due:

Quantec, LLC bills due:

James Eckels, Attorney for November	\$7,000.00
Peter Wall, Programmer for 11/15-11/30	\$3,000.00
Jeff Harbin, Manager October and November	\$8,000.00

Novo Point, LLC bills due:

Josh Cox, Attorney for 11/16-11/30	\$2,718.75
Peter Wall, Programmer for 11/15-11/30	\$3,000.00
Jeff Harbin, Manager October and November	\$2,000.00

Re: Civil Action Number 3-09CV0988-F
December 10, 2010
Page -2-

As you are also aware, it is necessary to prepay Fabulous.com for registration fees in the following approximate amounts:

Quantec, LLC	\$100,000.00
Novo Point, LLC	\$25,000.00

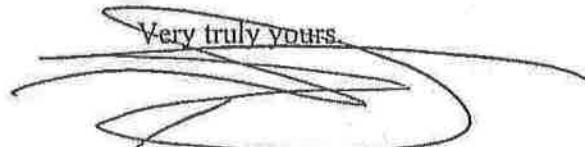
Although my clients dispute that they are subject to the Receivership Order, the purpose of this letter, as we sort this out, is to advise you that my clients desire to seek your agreement that these expenses are bona fide and proper and should be paid. In this regard, I am in receipt of your email requesting access to my client's bank accounts for Jeff Baron's "urgent medical care." This would be a payment for a purpose other than for proper business expenses, and would appear to be a request to cause my clients to be treated as Mr. Baron's alter ego, an allegation my clients deny.

Also, I note in your Motion to Clarify that you make reference to a ruling by the Judge at a telephone hearing. Is this ruling in writing? If so, may I get a copy of it? Also, was the telephone hearing on the record? Also, who testified at the hearing?

I am in receipt of your subpoena served today commanding Jeffrey Harbin to appear at BBVA-Compass Bank of Monday, December 13, 2010, at 9:00 a.m. As we also discussed, transmitted is my clients' Objection to Subpoena and Motion to Quash Subpoena.

Thank you for your cooperation and courtesies. Should you have any questions, or comments, please contact me.

Very truly yours,



Thomas P. Jackson

TPJ:pjr

cc: Quantec, LLC
Novo Point, LLC

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**NETSPHERE, INC.
MANILA INDUSTRIES, INC. AND
MUNISH KRISHAN**

PLAINTIFFS,

V.

**JEFFREY BARON AND
ONDOVA LIMITED COMPANY,**

DEFENDANTS.

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CIVIL ACTION NO. 3:09-CV-0988-F

SWORN DECLARATION OF SIDNEY B. ("SID") CHESNIN

Sidney B. ("Sid") Chesnin declares under penalty of perjury pursuant to the laws of the United States as follows:

1. I have been licensed to practice law in Texas since 1982. I have been licensed to practice law in Illinois since 1975. I am a 1975 graduate of the University of Chicago Law School. I am rated AV by Martindale-Hubbell.

2. I was employed by Jeffrey Baron, Quantec LLC and Novo Point LLC as counsel on November 16, 2010. My contracts provided that Baron would pay me \$200 a month, Quantec LLC would pay me \$7800 a month and Novo Point LLC would pay me \$2000 a month. I was to invoice on the 30th a month and payment was due by the 10th of the following month. True and correct copies of the contracts are attached hereto.

3. My primary duties before November 24, 2010, the date of the Receivership

Order were to act as liason between Mr. Baron and the attorneys handling his interests in the Ondova Limited bankruptcy, the Gerrit Pronske adversary proceeding, the Mediator, Peter Vogel, and Stan Broome, the attorney for Baron in the adversary proceeding and the State Court Attorney Fee Claims. I also was preparing to file a response to a domain name arbitration proceeding.

4. I had agreed to substitute for Stan Broome in most but not all of the State Court Cases. On November 24, Mr. Broome informed me he was going to file a motion to withdraw in the Gerrit Pronske adversary proceeding. I offered to substitute in for him instead, but he filed anyway, bringing down the receivership.

5. When I reviewed the receivership order, I noted that Quantec LLC and Novo Point LLC were not listed as receivership parties. I assumed that the order would have included them if it intended them to be covered. Accordingly, I informed Mr. Baron that I would not charge him for my services thereafter, but would look to Quantec LLC and Novo Point LLC for my compensation.

6. During the next week, I communicated with Barry Golden concerning Mr. Baron's living expense budget, assisted Mr. Baron collect documents required by the Receiver, paid for a courier out of my own pocket, and met with Mr. Baron and Mr. Schepps. Mr. Schepps and Mr. Baron asked me to pass on several requests for funds to Mr. Golden, which I did.

7. On November 30, 2010, I participated in the conference call hearing on the Verisign motion to modify. During that hearing, counsel for the receiver stated that Quantec LLC and Novo Point LLC had always been covered by the Receivership Order.

Judge Ferguson indicated that a Motion to Clarify would be in order.

8. I immediately e-mailed Barry Golden, counsel for the receiver, to ask if I could be retained. He informed me that I was not and would not be retained, but I could send him an invoice for my time up to November 24 for consideration.

I sent Mr. Golden an invoice for \$2660 for the 8 days and added another invoice for \$4900 for the period up to November 30 and commented that I might have to apply to the court for payment since their negligence in omitting Quantec LLC and Novo Point LLC from the receivership order had caused me to work a week longer than I otherwise would have. I then emailed Jeff Baron and Jeff Harbin resigning effective immediately. I returned the next day to help Mr. Baron collect his documents and then departed, never to return.

9. I worked 120 hours (comes to \$40/hr.) during the two weeks I was employed. I have not received a penny from anyone, not Mr. Baron, Quantec LLC, Novo Point LLC, or the Receiver.

Further Affiant Sayeth Not.

Signed under penalty of perjury under the laws of the United States this 16th day of December, 2010.



SIDNEY B. CHESNIN

CERTIFICATE OF SERVICE

The undersign certifies that service has been made by the Clerk's electronic service on all parties requiring notice as well as the following parties by email..on

December 16, 2010

Barry Golden

Peter Loh

Peter Vogel

Jeff Baron

Jeff Harbin

Gary Schepps

Stan Broome



Sidney B. Chesnin

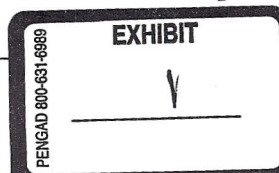
ATTORNEY-CLIENT AGREEMENT

This agreement ("Agreement" or "Master Agreement") is between Jeff Bero (together "Client") on the one hand, and Steve Chesed ("Attorney") on the other. This Agreement is effective ~~October 24~~, 2010. Nov. 16

Purpose of Agreement. Client is hiring Attorney and Attorney agrees to represent Client in various litigation matters and in general matters for an initial term of one month (the "Initial Period") and automatically renewing on a month-to-month basis thereafter. For each litigation matter, Attorney and Client may enter into a separate representation agreement (a "Specific Matter Agreement") that may set forth the hourly rate of Attorney for purposes of determining and potentially recouping necessary and reasonable attorneys' fees in any given litigation. Notwithstanding the terms set forth in those Specific Matter Agreements, this Master Agreement governs the entire relationship between Client and Attorney, and the terms of the Master Agreement, including those with respect to the fees due Attorney, supersede any conflicting terms in any other agreements, including without limitation, the hourly rate set forth in a Specific Matter Agreement.

Scope of Engagement. Attorney is responsible for overseeing and handling all of Client's litigation matters, including without limitation, research, drafting, filing, conducting discovery, coordinating with opposing and local counsel, and handling hearings and trials for Client. Attorney will handle all litigation matters directly as counsel of record and will oversee, manage and direct other matters with local counsel when litigation is in a foreign state. Attorney is also responsible for general legal matters such as contract drafting and consulting. Attorney is further responsible for administrative functions as the company may designate. Except for working on the following cases, Attorney shall devote exclusively to representing the Client and shall not provide services or perform work for any other client, except as otherwise agreed to by further written agreement. see below

During times the Attorney provides services for other clients, Attorney's compensation shall be adjusted in accordance with the provisions in the Payment paragraph of this Agreement. Further, Attorney will obtain a large amount of confidential information and agrees that, during the term of this Agreement or any time thereafter, Attorney will not represent any party that is adverse to Client. Attorney shall provide work product, regardless of stage of completion, to Client's officers as requested and shall further



communicate the status of the various matters within Attorney's responsibility as requested.

Payment. On the 30th of each month that Attorney performs all work defined in the Scope of Engagement section of this Agreement, Attorney shall submit an invoice to Client and shall be paid within ten (10) days from the date an invoice is submitted, the amount of \$ 200⁰⁰, except that the amount paid for any period in which Attorney performs work for others shall be \$ 0 per day. The first month's payment shall be calculated on a prorated basis.

Additional Matters. Attorney will not enter into a fee sharing arrangement concerning any matters related to Client without Client's written approval.

Expenses. In addition to Attorney's fee for rendering professional services, Attorney will be reimbursed for other charges and expenses incurred directly related to the performance of legal services for Client. Notwithstanding the foregoing, Attorney shall not be expected to incur out of pocket expenses for any charges or expenses over \$100 in any month. All charges and expenses exceeding \$100 in any month, shall be paid by Client directly to the outside Vendor providing such good or services. Attorney will obtain prior approval, which shall not be unreasonably withheld, from an officer of Client on behalf of whom Attorney will incur any charges or expenses over \$100 or when charges and expenses in aggregate exceed \$300 in any month.

Termination or Withdrawal; Notice. Client may terminate this Agreement, and Amended Agreements, as well as any Specific Matter Agreement, at any time by providing notice to Attorney ("Termination Date"). Attorney may terminate this Agreement and all Amended Agreements, as well as any Specific Matter Agreement, at any time by providing notice to Client ("Termination Date"). Notice is effective only when sent to the following email address:

Attorney

SCHESWIN@hotmail.com

Client


Jell@harco.com & gmail.com

Venue; Choice of Law. The parties agree that Texas law governs this Agreement and that venue for any dispute concerning this Agreement lies solely in Dallas County, Texas.

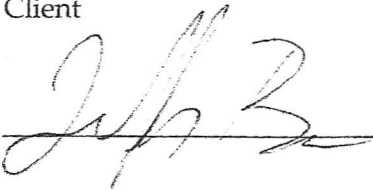
Amendment to Agreement. This Agreement can be amended and/or modified only by written agreement signed by both parties ("Amended Agreement"). If amended, the terms of any Amended Agreement, including those with respect to the fees due Attorney, supersede any conflicting terms in this Agreement.

*Agreed Outside Cases?
Ballard & Goldman, Inc - Graham Bankruptcy Case
Dallas & Truck Center, Inc -
Business & Co. Criminal Dismissal*

Attorney



Client



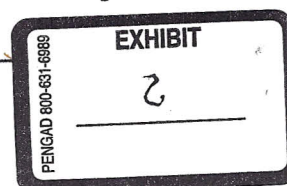
ATTORNEY- CLIENT AGREEMENT

This agreement ("Agreement" or "Master Agreement") is between Quantec LLC ("Client") on the one hand, and Sidney Chesnin ("Attorney ") on the other. This Agreement is effective November 16, 2010.

Purpose of Agreement. Client is hiring Attorney and Attorney agrees to represent Client in various litigation matters and in general matters for an initial term of one month (the "Initial Period") and automatically renewing on a month-to-month basis thereafter. For each litigation matter, Attorney and Client may enter into a separate representation agreement (a "Specific Matter Agreement") that may set forth the hourly rate of Attorney for purposes of determining and potentially recouping necessary and reasonable attorneys' fees in any given litigation. Notwithstanding the terms set forth in those Specific Matter Agreements, this Master Agreement governs the entire relationship between Client and Attorney, and the terms of the Master Agreement, including those with respect to the fees due Attorney, supersede any conflicting terms in any other agreements, including without limitation, the hourly rate set forth in a Specific Matter Agreement.

Scope of Engagement. Attorney is responsible for overseeing and handling all of Client's litigation matters, including without limitation, research, drafting, filing, conducting discovery, coordinating with opposing and local counsel, and handling hearings and trials for Client. Attorney will handle all litigation matters directly as counsel of record and will oversee, manage and direct other matters with local counsel when litigation is in a foreign state. Attorney is also responsible for general legal matters such as contract drafting and consulting. Attorney is further responsible for administrative functions as the company may designate. Except for working on the following cases, Attorney shall devote exclusively to representing the Client and shall not provide services or perform work for any other client, except as otherwise agreed to by further written agreement.

During times the Attorney provides services for other clients, Attorney's compensation shall be adjusted in accordance with the provisions in the Payment paragraph of this Agreement. Further, Attorney will obtain a large amount of confidential information and agrees that, during the term of this Agreement or any time thereafter, Attorney will not represent any party that is adverse to Client. Attorney shall provide work product, regardless of stage of completion, to Client's officers as requested and shall further



communicate the status of the various matters within Attorney's responsibility as requested.

Payment. On the 30th of each month that Attorney performs all work defined in the Scope of Engagement section of this Agreement, Attorney shall submit an invoice to Client and shall be paid within ten (10) days from the date an invoice is submitted, the amount of \$ 7,800.00. The first month's payment shall be calculated on a prorated basis.

On days when Attorney is fully occupied on his outside cases he shall be paid \$0.00 BC

Additional Matters. Attorney will not enter into a fee sharing arrangement concerning any matters related to Client without Client's written approval.

Expenses. In addition to Attorney's fee for rendering professional services, Attorney will be reimbursed for other charges and expenses incurred directly related to the performance of legal services for Client. Notwithstanding the foregoing, Attorney shall not be expected to incur out of pocket expenses for any charges or expenses over \$100 in any month. All charges and expenses exceeding \$100 in any month, shall be paid by Client directly to the outside Vendor providing such good or services. Attorney will obtain prior approval, which shall not be unreasonably withheld, from an officer of Client on behalf of whom Attorney will incur any charges or expenses over \$100 or when charges and expenses in aggregate exceed \$300 in any month.

Termination or Withdrawal; Notice. Client may terminate this Agreement, and Amended Agreements, as well as any Specific Matter Agreement, at any time by providing notice to Attorney ("Termination Date"). Attorney may terminate this Agreement and all Amended Agreements, as well as any Specific Matter Agreement, at any time by providing notice to Client ("Termination Date"). Notice is effective only when sent to the following email address:

Attorney
schesnin@hotmail.com

Client
jeff@jeffharbin.com

Venue; Choice of Law. The parties agree that Texas law governs this Agreement and that venue for any dispute concerning this Agreement lies solely in Dallas County, Texas.

Amendment to Agreement. This Agreement can be amended and/or modified only by written agreement signed by both parties ("Amended Agreement"). If amended, the terms of any Amended Agreement, including those with respect to the fees due Attorney, supersede any conflicting terms in this Agreement.

Approved outside cases:

Ballard v. Goldman, Inc.

Dallas Truck Center, Inc.

Andrew Smith Criminal Assessment

Graham Bankruptcy

etc

Attorney

Sidney B. Chesnut

SBC

Client

QUANTEC LLC

By JEFF HESSE, Manager

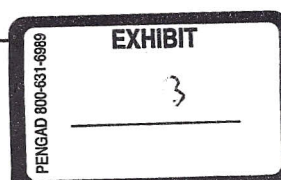
ATTORNEY- CLIENT AGREEMENT

This agreement ("Agreement" or "Master Agreement") is between Novo Point LLC ("Client") on the one hand, and Sidney Chesnin ("Attorney ") on the other. This Agreement is effective November 16, 2010.

Purpose of Agreement. Client is hiring Attorney and Attorney agrees to represent Client in various litigation matters and in general matters for an initial term of one month (the "Initial Period") and automatically renewing on a month-to-month basis thereafter. For each litigation matter, Attorney and Client may enter into a separate representation agreement (a "Specific Matter Agreement") that may set forth the hourly rate of Attorney for purposes of determining and potentially recouping necessary and reasonable attorneys' fees in any given litigation. Notwithstanding the terms set forth in those Specific Matter Agreements, this Master Agreement governs the entire relationship between Client and Attorney, and the terms of the Master Agreement, including those with respect to the fees due Attorney, supersede any conflicting terms in any other agreements, including without limitation, the hourly rate set forth in a Specific Matter Agreement.

Scope of Engagement. Attorney is responsible for overseeing and handling all of Client's litigation matters, including without limitation, research, drafting, filing, conducting discovery, coordinating with opposing and local counsel, and handling hearings and trials for Client. Attorney will handle all litigation matters directly as counsel of record and will oversee, manage and direct other matters with local counsel when litigation is in a foreign state. Attorney is also responsible for general legal matters such as contract drafting and consulting. Attorney is further responsible for administrative functions as the company may designate. Except for working on the following cases, Attorney shall devote exclusively to representing the Client and shall not provide services or perform work for any other client, except as otherwise agreed to by further written agreement.

During times the Attorney provides services for other clients, Attorney's compensation shall be adjusted in accordance with the provisions in the Payment paragraph of this Agreement. Further, Attorney will obtain a large amount of confidential information and agrees that, during the term of this Agreement or any time thereafter, Attorney will not represent any party that is adverse to Client. Attorney shall provide work product, regardless of stage of completion, to Client's officers as requested and shall further



communicate the status of the various matters within Attorney's responsibility as requested.

Payment. On the 30th of each month that Attorney performs all work defined in the Scope of Engagement section of this Agreement, Attorney shall submit an invoice to Client and shall be paid within ten (10) days from the date an invoice is submitted, the amount of \$ 2,000.00. The first month's payment shall be calculated on a prorated basis. *On days when Attorney is fully occupied on his outside cases, he shall be paid \$0.00. SBC*

Additional Matters. Attorney will not enter into a fee sharing arrangement concerning any matters related to Client without Client's written approval.

Expenses. In addition to Attorney's fee for rendering professional services, Attorney will be reimbursed for other charges and expenses incurred directly related to the performance of legal services for Client. Notwithstanding the foregoing, Attorney shall not be expected to incur out of pocket expenses for any charges or expenses over \$100 in any month. All charges and expenses exceeding \$100 in any month, shall be paid by Client directly to the outside Vendor providing such good or services. Attorney will obtain prior approval, which shall not be unreasonably withheld, from an officer of Client on behalf of whom Attorney will incur any charges or expenses over \$100 or when charges and expenses in aggregate exceed \$300 in any month.

Termination or Withdrawal; Notice. Client may terminate this Agreement, and Amended Agreements, as well as any Specific Matter Agreement, at any time by providing notice to Attorney ("Termination Date"). Attorney may terminate this Agreement and all Amended Agreements, as well as any Specific Matter Agreement, at any time by providing notice to Client ("Termination Date"). Notice is effective only when sent to the following email address:

Attorney
schesnin@hotmail.com

Client
jeff@jeffharbin.com

Venue; Choice of Law. The parties agree that Texas law governs this Agreement and that venue for any dispute concerning this Agreement lies solely in Dallas County, Texas.

Amendment to Agreement. This Agreement can be amended and/or modified only by written agreement signed by both parties ("Amended Agreement"). If amended, the terms of any Amended Agreement, including those with respect to the fees due Attorney, supersede any conflicting terms in this Agreement.

Approved outside cases -
Bellows v. Golanovs, Inc.
Dallas Truck Center Inc. Graham bankruptcy
Andrew Smith annual dismissal etc

Attorney

Stanley B. Chesna

[Signature]

Client

Navo Point LLC

By [Signature] L. Hudson, Manager

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., et al.,

§

v.

§

Case No. 3:09-CV-00988-F

§

JEFFREY BARON, et al.

§

§

**TRUSTEE'S REQUEST THAT THE COURT
TAKE JUDICIAL NOTICE**

TO THE HONORABLE ROYAL FURGESON, SENIOR U.S. DISTRICT COURT JUDGE:

COMES NOW Daniel J. Sherman (the "Trustee"), the duly-appointed Chapter 11 Trustee of Ondova Limited Company ("Ondova"), and requests pursuant to Rule 201 of the Federal Rules of Civil Procedure that the Court take judicial notice of the facts shown in Exhibits 1, 2 and 3 to this Request on the following grounds:

1. The matters shown on Exhibits 1, 2 and 3 to this Request are capable of accurate and ready determination by resort to resources whose accuracy cannot reasonably be questioned. In particular, these are matters shown of record in the official records of this Court, the United States Bankruptcy Court for the Northern District of Texas, and various Texas District Courts located in Dallas County, Texas. With respect to certain individual claims for attorneys fees shown in Exhibit 2 the information is based communications with the Trustee, the Receiver, or their counsel as shown on Exhibit 2.

2. Taking judicial notice of these matters will shorten the time required for the presentation of evidence at the hearing presently scheduled for December 17, 2010.

Respectfully submitted this 16th day of December, 2010.

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Raymond J. Urbanik
Raymond J. Urbanik, Esq.
Texas Bar No. 20414050
Dennis L. Roossien, Jr.
Texas Bar No. 00784873
3800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201-6659
Telephone: (214) 855-7500
Facsimile: (214) 855-7584
rurbanik@munsch.com
droossien@munsch.com

ATTORNEYS FOR DANIEL J.
SHERMAN, CHAPTER 11 TRUSTEE
FOR ONDOVA

CERTIFICATE OF SERVICE

I hereby certify that, on December 16, 2010, a true and correct copy of the foregoing document was sent to all counsel appearing of record through the Court's ECF system.

/s/ Raymond J. Urbanik
Raymond J. Urbanik

EXHIBIT 1

Jeffrey Baron has been represented by the counsel listed below during the times listed below in *Ondova Limited Co. v. Netsphere, Inc. et al.* and related cases.

FIRM	DATE APPEARED	DATE WITHDREW	LAWSUIT
Mateer & Shaffer	Nov. 14, 2006 Dec. 6, 2006	March 26, 2007	DC-06-11717, 68 th Dist. Ct. 3:07-cv-00229-D ND Texas
Luce Forward Hamilton & Scripps (California counsel)	Dec. 6, 2006	March 6, 2007	3:07-cv-00229-D ND Texas
Mateer & Shaffer	Jan. 2, 2007 (date of removal from DC-06- 011717)	April 2, 2007	3:07-cv-00001-D ND Texas
Carrington Coleman	Jan. 29, 2007	Nov. 10, 2007	DC-06-11717 68 th Dist. Ct. 3:07-cv-00001-D ND Texas 3:07-cv-01812-D ND Texas
Bickel & Brewer	November 10, 2007	c. May, 2008	DC-06-11717 68 th Dist. Ct.
Aldous / Rasansky	April 16, 2009	c. June 4, 2009	DC-06-011717, 68 th Dist. Ct.
Fee, Smith, Sharp & Vitulo	June 16, 2009	June 23, 2009	3:09-cv-00988-F
Bell & Weinstein	June 16, 2009	June 23, 2009	3:09-cv-00988-F
Caleb Rawls	June 16, 2009	June 23, 2009	3:09-cv-00988-F
Friedman & Feiger	June 23, 2009	Jan 29, 2010	3:09-cv-00988-F
Wright, Ginsburg Brusilow PC	July 27, 2009 (date of filing)	Sept. 11, 2009	09-34784-sgj11
Jeffrey T. Hall	Oct. 17, 2009	August 26, 2010	3:09-cv-00988-F
Pronske & Patel	Dec. 10, 2009	Sept. 9, 2010	3:09-cv-00988-F and

			09-34784-sgj11
Dean Ferguson	July 23, 2010	August 28, 2010 and Sept. 13, 2010	09-34784-sgj11
Gary Lyons	August 26, 2010		3:09-cv-00988-F
Martin Keith Thomas	Sept. 14, 2010	c. Nov. 2010	09-34784-sgj11
Stan Broome	Sept. 15, 2010	c. Nov. 19, 2010	09-34784-sgj11
Sid Chesnin	Nov. 16, 2010	Nov. 30, 2010	Various state court cases and bankruptcy
Gary N. Schepp	Dec. 2, 2010		3:09-cv-00988-F

EXHIBIT 2

The attorneys listed below have filed lawsuits or made claims for unpaid legal fees arising out of their representation of Jeffrey Baron.

LAWSUITS FOR LEGAL FEES THAT BARON REFUSED TO PAY		
PLAINTIFF LAW FIRM	CASE NO.	AMOUNT CLAIMED
Bickel & Brewer	DC-08-05825 14 th Dist. Ct.	Unknown
Fee Smith Sharp & Vitullo LLP	DC-10-05229 192 nd Dist. Ct.	Unknown
Pronske & Patel	DC-10-11915 193 rd Dist. Ct.	\$241,172
Jeffrey T. Hall	No. 366-04714-2010 366 th Dist. Ct.	Unknown
Friedman & Feiger	DC-10-12100 44 th Dist. Ct.	Unknown
Robert J. Garrey	296-04703-2010 196 th Dist. Ct.	Unknown
David Pacione	DC-10-06464 101 st Dist. Ct.	Unknown

**PRE-BANKRUPTCY CLAIMS FILED BY LAWYERS OR LAW FIRMS
THAT BARON REFUSED TO PAY**

FIRM**AMOUNT****Aldous Law Firm**

Attention: Charla Aldous
2305 Cedar Springs, Suite 200
Dallas, TX 75201

Resolved for \$200,000

Bennett, Weston & LaJone

1750 Valley View Lane, Suite 120
Dallas, TX 75234

\$1,100.41

Bickel and Brewer

Attention: John Bickel
1717 Main Street, Suite 4800
Dallas, TX 75201

\$42,500.00

Carrington, Coleman, Sloman & Blumenthal, LLP

Attn: J. Michael Sutherland
901 Main Street, Suite 5500
Dallas, TX 75202

\$224,223.27

**PRE-BANKRUPTCY CLAIMS FILED BY LAWYERS OR LAW FIRMS
THAT BARON REFUSED TO PAY**

<u>FIRM</u>	<u>AMOUNT</u>
Davis & Beverly, PLLC 1221 Merit Drive, Suite 1660 Dallas, TX 75251	\$11,071.50
Fee Smith Sharp & Vitullo, LLP Attn: Louis Vitullo 13155 Noel Road, Suite 1100 Dallas, TX 75240 Telephone: (972) 934-9200 Facsimile: (972) 934-9200 E-mail: lvitullo@feesmith.com	\$21,404.94
Friedman and Feiger, L.L.P. Attn: Ryan Lurich 5301 Spring Valley Rd., Ste. 200 Dallas, TX 75254 Telephone: (972) 788-1400 Facsimile: (972) 788-2667 E-mail: rlurich@fflawoffice.com	unknown
Giordani Schurig Beckett Tackett LLP 100 Congress Avenue, Suite 2200 Austin, TX 78701	\$12,443.33
Law Offices of Rajiv Jain 10 Corporate Park, Suite 315 Irvine, CA 92612	\$1,379.51
Kerr & Wagstaffe LLP 100 Spear Street, Suite 1800 San Francisco, CA 94105	\$3,335.36
Kevin F. D'Amour, P.C. P. O. Box 10829 St. Thomas, VI 00801	\$1,178.00
Lackey Hershman 3102 Oak Lawn Ave., Suite 777 Dallas, TX 75219	\$6,383.58
Nace & Motley, LLP Attn: Kristy Motley 100 Crescent Court, 7 th Floor Dallas, TX 75201	\$20,073.00

**PRE-BANKRUPTCY CLAIMS FILED BY LAWYERS OR LAW FIRMS
THAT BARON REFUSED TO PAY**

<u>FIRM</u>	<u>AMOUNT</u>
Newman & Newman 505 Fifth Avenue South, Suite 610 Seattle, WA 98104	17,572.86
Owens, Clary & Aiken, L.L.P. 700 North Pearl Street, Suite 1600 Dallas, TX 75201	\$4,887.14
Pronske and Patel Attn: Gerrit Pronske 2200 Ross Avenue, Suite 5350 Dallas, TX 75201 Telephone: (214) 658-6500 Facsimile: (214) 658-6509 E-mail: gpronske@pronskepatel.com	\$9,678.26
Rasanksy Law Firm Attn: Jeff Rasansky 2524 McKinnon, Suite 625 Dallas, TX 75200	Resolved for \$200,000
Reed Smith LLP Raymond Cardozo Dept. 33489 P. O. Box 39000 San Francisco, CA 94139	\$5,000.00
Reyna, Hinds & Crandall 1201 Elm, Suite 3850 Dallas, TX 75270	\$14,875.74
Riney Palter PLLC 5949 Sherry Lane, Suite 1616 Dallas, TX 75225-8009	\$5,141.03
Rowbotham and Associates Attn: Rich Rowbotham 101 Second Street, Suite 1200 San Francisco, CA 94105	\$35,821.00
Randal C. Shaffer The Law Office of Randal C. Shaffer P. O. Box 5129 Dallas, TX 75208	\$30,897.50

**PRE-BANKRUPTCY CLAIMS FILED BY LAWYERS OR LAW FIRMS
THAT BARON REFUSED TO PAY**

<u>FIRM</u>	<u>AMOUNT</u>
Law Offices of Graham R. Taylor 101 Montgomery St., Ste. 2050 San Francisco, CA 94104	\$26,950.00
Thompson & Knight LLP 1722 Routh St., Suite 1500 Dallas, TX 75201-2533	\$1,579.50
TOTAL \$697,495.93	

**POST BANKRUPTCY LEGAL FEES
FORMALLY OR INFORMALLY CLAIMED**

<u>FIRM</u>	<u>AMOUNT</u>
Gerrit Pronske Pronske and Patel 2200 Ross Avenue, Suite 5350 Dallas, TX 75201 Telephone: (214) 658-6500 Facsimile: (214) 658-6509 E-mail: gpronske@pronskepatel.com	\$241,172.70 Filed a Section 503(b)(9) substantial contribution claim
Michael B. Nelson, Esq. Attorney & Counselor at Law 2500 Old Crow Canyon Road Bldg. 200, Ste. 225 San Ramon CA 94583 Telephone: (925) 977-8000 Fax: (925) 977-8195 Email: brittany@michaelnelson.net	\$22,101.05 Based on a letter to the Receiver
Dean Ferguson 4715 Breezy Point Dr. Kingwood, TX 77345 Telephone: (713) 834-2399 E-mail: dean@dwferglaw.com	\$20,000.00 Based on an email to the Receiver
Jeffrey T. Hall Attorney at Law 7242 Main Street Frisco, TX 75034 Telephone: (972) 335-8346 Facsimile: (972) 335-9191	\$5,000.00 Based on an email to the Receiver

**POST BANKRUPTCY LEGAL FEES
FORMALLY OR INFORMALLY CLAIMED**

FIRM

AMOUNT

E-mail: jthallesq@gmail.com

Gary G. Lyon
P. O. Box 1227
Anna, TX 75409
Telephone: (972) 977-7221
Facsimile: (214) 831-0411
E-mail: glyon.attorney@gmail.com

Unknown

Based on an email to the Receiver

Mark Taylor
Powers Taylor LLP
8150 North Central Expressway, Suite 1575
Dallas, Texas 75206
Telephone: (214) 239-8900
Facsimile: (214) 239-8901
E-mail: mark@cptlawfirm.com

\$78,058.50

Filed a Section 503(b)(9) substantial contribution claim

Stephen Jones
Jones, Otjen & Davis
114 East Broadway, Suite 1100
P. O. Box 472
Enid, OK 73702-0472
Telephone: (580) 242-5500
Facsimile: (580) 242-4556
E-mail: sjones@stephenjoneslaw.com

Unknown

Based on a report to Trustee's counsel.

Eric Taube
Hohmann, Taube & Sanders, LLP
100 Congress Avenue, 18th Floor
Austin, TX 78701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248
E-mail: erict@hts-law.com

Estimated \$200,000 total for Hohman, Taube & Sanders, LLP; Schurig Jetel Beckett Tackett; and West & Associates

Filed a Section 530(b)(9) substantial contribution claim.

Elizabeth Schurig
Schurig Jetel Beckett Tackett
100 Congress Avenue, 22nd Floor
Austin, TX 78701
Telephone: (512) 370-2732
Facsimile: (512) 370-2751
E-mail: eschurig@sjbt.com

Estimated \$200,000 total for Hohman, Taube & Sanders, LLP; Schurig Jetel Beckett Tackett; and West & Associates

**POST BANKRUPTCY LEGAL FEES
FORMALLY OR INFORMALLY CLAIMED**

FIRM

AMOUNT

Craig Capua
West & Associates
320 South R.L. Thornton Freeway
Suite 300
Dallas, TX 75203
Telephone: (214) 941-1881
Facsimile: (214) 941-1399
E-mail: craig.c@westllp.com

Estimated \$200,000 total for
Hohman, Taube & Sanders,
LLP; Schurig Jetel Beckett
Tackett; and West &
Associates

John Cone
Hitchcock Evert LLP
750 North St. Paul Street, Suite 1110
Dallas, TX 75201
Telephone: (214) 953-1111
Facsimile: (214) 953-1121
E-mail: jcone@hitchcockeveret.com

Unknown

Based on a report to Trustee's
counsel.

Broome Law Firm, PLLC
Stanley D. Broome
105 Decker Court, Ste. 850
Irving, TX 75062
sbroom@broomelegal.com

\$28,175.03

Based on a letter to the
Receiver

Sidney B. Chesnin
Attorney at Law
4841 Tremont, Suite 9
Dallas, Texas 75246

\$4,952.60

Based on a letter to the
Receiver

James M. Eckels, Esq.
7505 John Carpenter Freeway
Dallas, TX 75247
jamesmeckels@gmail.com

\$7,000.00

Based on a letter to the
Receiver

Joshua E. Cox
Attorney at Law
P. O. Box 2072
Keller, TX 76244
j.cox.email@gmail.com

\$2,718.75

Based on a letter to the
Receiver

EXHIBIT 3

Jeffrey Baron was warned of the possible consequences of his continued vexatious conduct by this Court or the Bankruptcy Court on the dates shown.

CASE	DATE	DOCKET REF.
3:09-cv-00988-F	June 19, 2009	Distr. Dkt. 38-2, p. 54, lines 16-18
3:09-cv-00988-F	July 1, 2009	Distr. Dkt. 38-2, p.54, lines 16-18
3:09-cv-00988-F	July 9, 2009	Distr. Dkt. 39-2, p. 19, lines 12-1
3:09-cv-00988-F	July 28, 2009	Distr. Dkt. 52, p. 16 and following
3:09-cv-00988-F	August 18, 2009	Distr. Dkt. 66, p. 66, lines 13-16
3:09-cv-00988-F	September 10, 2009	Distr. Dkt. 68, p. 28, lines 8-25
09-34784-sgj11	August 5, 2009	Bankr. Dkt. 38, p. 80 line 21 – 24
09-34784-sgj11	Sept. 1, 2009	Bankr. Dkt. 126, p. 227 line 21 – 25
09-34784-sgj11	Sept. 2, 2009	Bankr. Dkt. 56
09-34784-sgj11	Sept. 11, 2009	Bankr. Dkt. 112, p. 36 line 9 – 15
09-34784-sgj11	April 7, 2010	Bankr. Dkt. 298, p. 38 line 5 – 9
09-34784-sgj11	July 12, 2010	Bankr. Dkt. 412, p. 112 line 21 – 24
09-34784-sgj11	Sept. 15, 2010	Bankr. Dkt. 470, p. 6 line 2 – 9
09-34784-sgj11	Sept. 22, 2010	Bankr. DK 471,
09-34784-sgj11	Sept. 30, 2010	Bankr. Dk 534 p. 65
09-34784-sgj11	October 8, 2010	Bankr. Dk 535 p. 9
09-34784-sgj11	October 12, 2010	Bankr. Dkt. 484, p. 108
09-34784-sgj11	Nov. 17, 2010	Bankr. Dkt. 533, p. 23

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	Civil Action No. 3-09CV0988-F
MANILA INDUSTRIES, INC., and	§	
MUNISH KRISHAN,	§	
Plaintiffs.	§	
	§	
v.	§	
	§	
JEFFREY BARON, and	§	
ONDOVA LIMITED COMPANY,	§	
Defendants.	§	

**MOTION TO DISQUALIFY RAYMOND J. URBANIK, COUNSEL
FOR DANIEL J SHERMAN AND BRIEF IN SUPPORT**

TO THE HONORABLE ROYAL FURGESON, U.S. DISTRICT COURT JUDGE:

COMES NOW, Jeffrey Baron, Appellant, and moves for the disqualification of Mr. Urbanik as counsel for Mr. Sherman because his continued advocacy before this Court is unethical and a violation of the Texas Disciplinary Rules of Professional Conduct.

1. A District Court is obliged to take measures against unethical conduct occurring in connection with any proceeding before it. *Woods v. Covington Cty. Bank*, 537 F. 2d 804, 810 (5th Cir. 1976). A motion to disqualify counsel is the proper method for a party-litigant to bring the issues of a breach of ethical duties to the attention of the court. *McCuin v. Texas Power & Light Co.*, 714 F. 2d 1255, 1264 (5th Cir. 1983).

2. Rule 3.08(a) of the Texas Disciplinary Rules of Professional Conduct expressly prohibits continued employment as an advocate before a tribunal in a contemplated or pending adjudicatory proceeding if the lawyer knows or believes that the lawyer is or may be a witness necessary to establish an essential fact on behalf of the lawyer's client.

3. Prior to today, Mr. Urbanik has received the benefit of the doubt that his advocacy before this tribunal fell within the scope of exception 4 to the rule applying to a lawyer who is a party to the action. However, Mr. Urbanik has now made clear that he is not a party and is not appearing as a party. Accordingly, the exception to Rule 3.08(a) does not apply.

4. Mr. Urbanik has established by sworn declaration that he is a witness to the substantive matters involved in this case and the motion for stay pending appeal of the appointment of the receiver. Mr. Urbanik's sworn declaration was the only declaration offered by Mr. Sherman in response to Mr. Baron's motion. Mr. Urbanik's sworn testimony (offered on behalf of his advocated position opposing stay of the receivership order) includes that:

- a. He has **personal knowledge of the facts** stated in his declaration.
- b. He is familiar based on a review of records the asset structure Jeffrey Baron established, and such structure is accurately reflected in a chart offered by Mr. Urbanik.

- c. According to his claimed personal knowledge, immediately subsequent to the appointment of the Receiver, steps had to be taken to stop the transfer of valuable property, including 300,000 internet domain names, to a foreign entity outside of the jurisdiction of the federal courts.
- d. He claims personal knowledge that Mr. Baron's assets are substantially located in the Cook Islands, and that such location is notorious for asset protection and non-compliance with United States law.
- e. He claims personal knowledge that the entities located in the Cook Islands are controlled by Mr. Baron.
- f. He claims personal knowledge that Mr. Baron has used a total of seventeen attorneys, three of whom did not formally enter an appearance.
- g. He claims personal knowledge that Mr. Baron has hired and filed numerous attorneys since the Trustee's appointment, through the related entities.

5. The need for maintaining a clear differentiation between the role of witness and the role of advocate are particularly significant in this case where the motion against Mr. Baron came after he objected to a fee application made by Mr. Urbanik.

Accordingly, Mr. Baron respectfully moves for the disqualification of Mr. Urbanik as counsel for Mr. Sherman because his continued advocacy before this Court is unethical.

Respectfully submitted,

/s/ Gary N. Schepps
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(214) 347-4031 Facsimile
**APPELLATE COUNSEL FOR
JEFFREY BARON**

CERTIFICATE OF SERVICE

This is to certify that this was served on all parties who receive notification through the Court's electronic filing system.

/s/ Gary N. Schepps _____
Gary N. Schepps

CERTIFICATE OF CONFERENCE

This is to certify that the undersigned conferred with Mr. Raymond J. Urbanik, attorney for DANIEL J. SHERMAN, Trustee for ONDOVA LIMITED COMPANY, and they opposed the motion.

/s/ Gary N. Schepps _____
Gary N. Schepps

Rule 3.08 Lawyer as Witness

(a) A lawyer shall not accept or continue employment as an advocate before a tribunal in a contemplated or pending adjudicatory proceeding if the lawyer knows or believes that the lawyer is or may be a witness necessary to establish an essential fact on behalf of the lawyer's client unless:

(1) the testimony relates to an uncontested issue;

(2) the testimony will relate solely to a matter of formality and there is no reason to believe that substantial evidence will be offered in opposition to the testimony;

(3) the testimony relates to the nature and value of legal services rendered in the case;

(4) the lawyer is a party to the action and is appearing pro se; or

(5) the lawyer has promptly notified opposing counsel that the lawyer expects to testify in the matter and disqualification of the lawyer would work substantial hardship on the client.

(b) A lawyer shall not continue as an advocate in a pending adjudicatory proceeding if the lawyer believes that the lawyer will be compelled to furnish testimony that will be substantially adverse to the lawyer's client, unless the client consents after full disclosure.

(c) Without the client's informed consent, a lawyer may not act as advocate in an adjudicatory proceeding in which another lawyer in the lawyer's firm is prohibited by paragraphs (a) or (b) from serving as advocate. If the lawyer to be called as a witness could not also serve as an advocate under this Rule, that lawyer shall not take an active role before the tribunal in the presentation of the matter.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC., et al

§

v.

§

Case No. 3:09-CV-00988-F

§

JEFFREY BARON, et al

§

§

RESPONSE TO MOTION TO DISQUALIFY

TO THE HONORABLE ROYAL FERGUSON, SENIOR U.S. DISTRICT COURT JUDGE:

COMES NOW, Daniel J. Sherman (the "Trustee"), the duly appointed Chapter 11 trustee of Ondova Limited Company ("Ondova") and files this Response to Motion to Disqualify and Motion for Sanctions as follows:

SUMMARY OF ARGUMENT

An attorney witness is disqualified under Rule 3.08 of the Texas Rules of Disciplinary Procedure only if the lawyer's testimony is "necessary to establish an essential fact."¹ It is not a Rule intended to be a standard for substantive disqualification.² Baron's Motion to Disqualify ignores the text of the Rule and its purpose in an effort to continue a pattern of harassment that has included a string of Motions whose clear intent was to harass the Trustee and Trustee's counsel during the critical period leading up to the hearing on Baron's Motion. It should be denied. The Court may also wish to consider whether this conduct warrants an Order to Show Cause under Rule 11(c)(3) of the Federal Rules of Civil Procedure.

¹ Texas Disciplinary Rules of Professional Conduct R. 3.08(a) (West 2010).

² Id., Comment 9.

I. Rule 3.08 is not intended to require disqualification.

Comment 9 to Rule 3.08 makes it clear that the Rule is not intended for use as a tool to disqualify opposing counsel. This is because as a Rule it is primarily intended to protect the lawyer's client. The Comment observes:

Rule 3.08 sets out a disciplinary standard and is not well suited to use as a standard for procedural disqualification. As a disciplinary rule it serves two principal purposes. The first is to insure that a client's case is not compromised by being represented by a lawyer who could be more effective witness for the client by not also serving as an advocate.³

Comment 10 goes on to observe that it may "furnish some guidance" where the party seeking disqualification "can demonstrate actual prejudice to itself" but notes that:

Unintended applications of this Rule, if allowed, would subvert its true purpose by converting it into a mere tactical weapon in litigation.⁴

Baron has made no effort at all to show prejudice to himself from Mr. Urbanik's role as an advocate; rather, he is clearly using the Rule as a "mere tactical weapon."

II. Rule 3.08 does not apply in any case.

Rule 3.08 applies only if the lawyer's testimony is "necessary to establish an essential fact." A party moving for disqualification under the Rule must prove there is a "genuine need for the attorney's testimony." *Gilbert McClure Enterprises v. Burnett*, 735 S.W.2d 309, 311 (Tex.App.-Dallas,1987). Baron has made no effort at all to show that only Mr. Urbanik could provide the testimony at issue. Mr. Urbanik's declaration is simply a narrative of the history of this case and related cases, and the events he refers to were witnessed by the parties, their lawyers, and in many cases the Court. The particular matters referred to in the Motion itself are by their nature known to many other individuals, and in particular to the Trustee and Receiver in

³ Id.

⁴ Id., Comment 10.

this case. Where more than one individual witnessed an event “necessity” cannot be shown. *In re Sandoval*, 308 S.W.3d 31, 34 (Tex.App.-San Antonio,2009).

Regardless of the purported “necessity” of the testimony, the client’s declaration that it will not call the attorney as a witness completely cures any prejudice to the opponent that might justify disqualification. After a review of the relevant Texas authorities the Houston Court of Appeals found that “they do not support disqualification where the attorney will not take the witness stand.” *Schwartz v. Jefferson*, 930 S.W.2d 957, 961 (Tex.App.-Houston [14 Dist.],1996). In this case the Trustee has no intention of calling Mr. Urbanik as a witness, and that fact alone precludes disqualification.

III. The Motion to Disqualify justifies a Rule 11(c)(3) Order to Show Cause.

The Trustee’s Response and Mr. Urbanik’s declaration were filed and served on Baron’s counsel on December 10, 2010. Baron’s attorney filed three Motions in three days asking first that there be a ruling without a hearing, and then that the hearing set for December 17, 2010 be continued. The Motion to Disqualify was filed on the afternoon of December 16, 2010 and was clearly a last desperate effort to interfere with the December 17 hearing. Had Baron been genuinely concerned with Mr. Urbanik’s role in the case he would certainly have called it to the Court’s attention in one of the three earlier Motions. Coming as it does on the heels of the earlier Motions and Baron’s long history of vexatious conduct the Motion to Disqualify justifies the entry of an Order to Show Cause pursuant to Rule 11(c)(3) of the Federal Rules of Civil Procedure.

CONCLUSION

The Motion to Disqualify should be denied and the Court should Order Baron to show cause why the Motion did not violate Rule 11(b) of the Federal Rules of Civil Procedure.

Respectfully submitted this 16th day of December, 2010.

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Richard M. Hunt
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Dennis L. Roossien, Jr.
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ATTORNEYS FOR DANIEL J.
SHERMAN, CHAPTER 11 TRUSTEE
FOR ONDOVA

CERTIFICATE OF SERVICE

I hereby certify that, on December 16, 2010, a true and correct copy of the foregoing document was sent to all counsel appearing of record through the Court's ECF system.

/s/ Richard M. Hunt
Richard M. Hunt

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,
MANILA INDUSTRIES, INC., and
MUNISH KRISHAN,
Plaintiffs.

v.

JEFFREY BARON, and
ONDOVA LIMITED COMPANY,
Defendants.

§
§
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§

Civil Action No. 3-09CV0988-F

CERTIFICATION OF NO TRANSCRIPT

CERTIFICATION OF NO TRANSCRIPT

This is to certify pursuant to Federal Rule of Appellate Procedure 10(b) that I have contact the court reporter supervisor and have been informed that there is no record of proceedings in this case on November 24, 2010. Accordingly, no transcript will be ordered.

Respectfully submitted,

/s/ Gary N. Schepps

Gary N. Schepps

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Dallas, Texas 75367

(214) 210-5940

(214) 347-4031 Facsimile

**APPELLATE COUNSEL FOR
JEFFREY BARON**

CERTIFICATE OF SERVICE

This is to certify that this was served on all parties who receive notification through the Court's electronic filing system.

/s/ Gary N. Schepps _____
Gary N. Schepps

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	
MANILA INDUSTRIES, INC. AND	§	
MUNISH KRISHAN	§	
	§	
PLAINTIFFS,	§	
	§	
v.	§	CIVIL ACTION NO. 3:09-CV-0988-F
	§	
JEFFREY BARON AND	§	
ONDOVA LIMITED COMPANY,	§	
	§	
DEFENDANTS.	§	

**EMERGENCY MOTION OF QUANTEC, LLC AND
NOVO POINT, LLC TO COMPEL DELETION OF DOMAIN NAMES**

TO THE HONORABLE ROYAL FERGUSON, U.S. DISTRICT COURT JUDGE:

COME NOW, Quantec, LLC and Novo Point, LLC (collectively, the “Cook Islands LLCs”) by and through their undersigned counsel, and hereby file this *Emergency Motion of Quantec, LLC and Novo Point, LLC to Compel Deletion of Domain Names*, and in support thereof would show the Court as follows:

Background

1. The Cook Islands LLCs each own a portfolio of internet domain names, currently registered through Fabulous.com, an ICANN-approved registrar. ICANN is the Internet Corporation for Assigned Names and Numbers, a non-profit public interest corporation tasked with overall coordination of many internet domain names. Fabulous.com (as the registrar) pays fees to VeriSign, Inc., the sole manager of the .COM and .NET registries, pursuant to their

agreement with VeriSign in order that VeriSign maintains all registered domains belonging to the Cook Islands LLCs in its registry database.

2. Each of the domain names owned by the Cook Islands LLCs and registered with Fabulous.com are registered for a period of one (1) year. For such year-long registration period, the Cook Islands LLCs pay Fabulous.com \$7.62 for each domain name registered. Given the vast number of domains owned by the Cook Islands LLCs (over 200,000 names between the two) the cumulative registration fees are quite substantial.

3. Under the payment arrangement between the Cook Islands LLCs and Fabulous.com, Fabulous.com pays the VeriSign fee with respect to a particular domain on or before the expiration date of that domain's registration period. On the forty-fifth (45th) day after such payment by Fabulous.com of the VeriSign fee, if the Cook Islands LLCs desire to retain such name, Fabulous.com will deduct the \$7.62 registration fee for such domain from the account the Cook Islands LLCs maintain at Fabulous.com. **If the Cook Islands LLCs do not desire to renew a particular domain, they can inform Fabulous.com on or before the thirty-ninth (39th) day after expiration of such domain's registration period, and Fabulous.com will mark such domain "deleted"**. In that event, the Cook Islands LLCs will not owe a registration fee to Fabulous.com for such domain, and Fabulous.com can obtain a refund of the VeriSign fee.

4. Pursuant to VeriSign policies, no refund is available to Fabulous.com past the forty-fifth (45th) day after the expiration of a particular domain's registration period. Fabulous.com has requested that the Cook Islands LLCs notify it of requested deletions 39 days

after the renewal date to allow it sufficient time to process the requested deletion *before* the 45 day deadline to obtain the VeriSign refund.

The Requested Deletions

5. On Wednesday, December 8, 2010, the Cook Islands LLCs requested that counsel for Receiver Peter Vogel (the “Receiver”) authorize the deletion/non-renewal of nineteen thousand, eight-hundred twenty two (19,822)¹ domain names (the “November Deletions”). The Cook Islands LLCs performed an evaluation on all domain names requiring renewal between November 1, 2010 and November 30, 2010 and identified those domains generating less revenue than the renewal cost².

6. On Wednesday, December 8, 2010, counsel for the Receiver acquiesced in writing to the request of the Cook Islands LLCs. On that same day, at 4:59 pm CST, counsel for the Cook Islands LLCs transmitted the deletion list to Fabulous.com, notified Fabulous.com of the Receiver’s authorization to process the deletions, and instructed Fabulous.com to process such deletions.

7. The Cook Islands LLCs recently learned that, despite previous written authorization from counsel for the Receiver to Fabulous.com to process the November Deletions, the Receiver has refused to allow the November Deletions to proceed.

8. Each day that passes costs the Cook Islands LLCs unnecessary funds for renewing those domains they have already determined do not merit or warrant renewal. Pursuant to the

¹ This number of requested deletions has been subsequently reduced to 19,186 names.

² In fact, the domains comprising the November Deletions collectively cost approximately \$151,000 to renew, yet generated less than \$20,000 in revenue over a period exceeding one year. The Cook Islands LLCs expected net saving of approximately **\$131,000** from processing the deletions.

payment arrangements described above, in order to delete/not-renew those domains up for renewal on November 1, 2010 the Cook Islands LLCs had to inform Fabulous.com within thirty-nine (39) days, on Friday, December 10, 2010. Due to the Receiver's actions or failures to act, that deadline has now passed. **Fabulous.com will never receive a refund for those registration fees it paid to VeriSign for domains renewed November 1, 2010 that the Cook Islands LLCs did not want renewed.**

9. As a result of the Receiver's actions or failures to act, the Cook Islands LLCs have been forced to renew at substantial cost domain names they did not want renewed. As of Wednesday, December 15, 2010, the Cook Islands LLCs have been forced to renew all domains up for renewal November 1, November 2, November 3, November 4, November 5, and November 6, 2010.

10. Each day that passes that the Receiver acts or fails to act to authorize Fabulous.com to process the November Deletions forces the Cook Islands LLCs to renew another day's registration fees, when the Cook Islands LLCs have clearly made the business decision to only renew certain of that day's registrations.

Relief Requested

11. The Cook Islands LLCs therefore respectfully request that the Court compel the Receiver to authorize and instruct Fabulous.com to process the deletion of the remaining domains among the November Deletions. As of Friday, November 17, 2010, the Cook Islands LLCs will only be able to request deletions dating back thirty-nine (39) days, or to November 8, 2010, effectively preventing the Cook Islands LLCs from realizing the full value of the

anticipated savings from those unwanted renewals between November 1 and November 8, 2010.

12. The Cook Islands LLCs further respectfully request that this relief be granted on an expedited basis, since each day that passes with the November Deletions unprocessed costs the Cook Islands LLCs another day's worth of unwarranted renewal fees.

WHEREFORE, PREMISES CONSIDERED, Quantec, LLC and Novo Point, LLC respectfully request that the Court GRANT their *Emergency Motion to Compel Deletion of Domain Names* and pray for such other and further relief to which they may be entitled.

Respectfully submitted,

By: /s/ Joshua E. Cox

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By: /s/ Tom Jackson

Thomas P. Jackson
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Dallas TX 75244

ATTORNEYS FOR QUANTEC, LLC AND
NOVO POINT, LLC

CERTIFICATE OF CONFERENCE

I hereby certify that on December 16, 2010 I conferred with Barry Golden, Counsel for Receiver Peter Vogel, regarding the merits of this motion. The Receiver has reserved certain objections regarding the filing of this motion, and at this time can neither consent nor oppose the relief sought herein.

/s/ Joshua E. Cox
Joshua E. Cox

CERTIFICATE OF SERVICE

I hereby certify that on December 16, 2010, a true and correct copy of the foregoing was sent to all parties requesting electronic service through the Court's ECF system.

/s/ Joshua E. Cox
Joshua E. Cox

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	
MANILA INDUSTRIES, INC. AND	§	
MUNISH KRISHAN	§	
	§	
PLAINTIFFS,	§	
	§	
v.	§	CIVIL ACTION NO. 3:09-CV-0988-F
	§	
JEFFREY BARON AND	§	
ONDOVA LIMITED COMPANY,	§	
	§	
DEFENDANTS.	§	

**MOTION OF QUANTEC, LLC AND NOVO POINT, LLC FOR AN EMERGENCY HEARING
ON SHORTENED NOTICE ON QUANTEC, LLC'S AND NOVO POINT, LLC'S
EMERGENCY MOTION TO COMPEL DELETION OF DOMAIN NAMES**

TO THE HONORABLE ROYAL FERGUSON, U.S. DISTRICT COURT JUDGE:

COME NOW, Quantec, LLC and Novo Point, LLC (collectively, the "Cook Islands LLCs") by and through their undersigned counsel, and hereby request that the Court schedule an emergency hearing, at the currently-scheduled November 17, 2010 setting regarding various other Motions filed herein, on the *Motion of Quantec, LLC and Novo Point, LLC to Compel Deletion of Domain Names*, filed contemporaneously herewith. The issues raised in that Motion require immediate attention in that they relate to unnecessary costs incurred daily by Quantec, LLC and Novo Point, LLC as a direct result of the Receiver's failure or refusal to allow certain identified domain names to be deleted in the regular course of business of Quantec, LLC and Novo Point, LLC.

WHEREFORE, PREMISES CONSIDERED, Quantec, LLC and Novo Point, LLC respectfully request that the Court set the aforementioned *Motion of Quantec, LLC and Novo Point, LLC to Compel Deletion of Domain Names* for a hearing at 10:00 a.m., November 17, 2010.

Respectfully submitted,

By: /s/ Joshua E. Cox

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By: /s/ Tom Jackson

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ATTORNEYS FOR QUANTEC, LLC AND
NOVO POINT, LLC

CERTIFICATE OF CONFERENCE

I hereby certify that on December 16, 2010 I conferred with Barry Golden, Counsel for Receiver Peter Vogel, regarding the merits of this motion. The Receiver has reserved certain objections regarding the filing of the *Emergency Motion of Quantec, LLC and Novo Point, LLC to Compel Deletion of Domain Names*, but does not oppose the setting of such motion for hearing on expedited notice.

/s/ Joshua E. Cox

Joshua E. Cox

CERTIFICATE OF SERVICE

I hereby certify that on December 16, 2010, a true and correct copy of the foregoing was sent to all parties requesting electronic service through the Court's ECF system.

/s/ Joshua E. Cox

Joshua E. Cox

As specific examples of the Further Clarification (although these are merely examples, and not to be construed as limitations of the Further Clarification), the Court ORDERS that the following shall occur:

1. Jeff Harbin shall meet with counsel for the Receiver at an agreed upon time within one week of the date of this Order, at BBVA Compass Bank, 2301 Cedar Springs Road, Dallas, Texas 75201. Once at the bank, Jeff Harbin shall immediately execute whatever documents Receiver's counsel deem(s) necessary, including documents to effectuate the process for the Receiver and his counsel to obtain joint access to the Receiver Assets, including, without limitation, joint access to the following accounts: checking account #XXXXXX1315 at BBVA Compass, in the name of Novo Point, LLC; checking account #XXXXXX1323 at BBVA Compass, in the name of Quantec, LLC; ~~checking account #XXXXXX4043 at BBVA Compass, in the name of Quasar Services, LLC; and checking account #XXXXXX4027 at BBVA~~ PC
6 ~~Compass~~. Jeff Harbin shall not withdraw funds, issue checks, make other payments or enter ~~of~~ into or execute any contracts (written or oral) or in any way obligate Novo Point, LLC and/or Quantec, LLC in any other way, above the amount of \$3,000.00 (THREE THOUSAND DOLLARS) without the express written or e-mail authorization by the Receiver or his counsel, and the account shall be set up with the bank with those same restrictions (*i.e.*, permitting the Receiver or his counsel to withdraw funds, issues checks, or make payments above \$3,000 without Mr. Harbin's signature, but not permitting Mr. Harbin to withdraw funds, issue checks, or make payments above \$3,000 without the Receiver's or the Receiver's Counsel's signature). On or before the tenth day of each month, Mr. Harbin shall provide the Receiver and his counsel with a full and complete written accounting for the previous month of all of the accounts

identified in this paragraph, including, all transactions (regardless of whether the transactions involved more or less than \$3,000) and including among other things, (a) an accounting of all withdrawals from any and all of these accounts, (b) checks issued from any and all of these accounts, (c) payments made to any and all of these accounts, (d) deposits into any and all of these accounts, (e) contracts (written or oral) entered into on behalf of Quantec, LLC or Novo Point, LLC, and (f) any other obligations entered into on behalf of Quantec, LLC or Novo Point, LLC.

2. Jeff Harbin shall report to the Receiver and his counsel all communications with Jeff Baron within 48 hours after such communications occur.

pl 3. Jeff Harbin shall provide to the Receiver and his counsel all written and e-mail communications occurring since the date of this Order to or from (a) Jeff Baron, (b) Gary Schepps, (c) any other attorney representing Jeff Baron, (d) any other individual purporting to represent or act on behalf of Jeff Baron, (e) Mike Robertson, or (f) any other employee, representative, contractor, or agent of Fabulous.com or any other registrar.

pl 4. The Receiver shall have the right to terminate Jeff Harbin immediately (meaning at any time and without prior notice) if the Receiver reasonably believes that Jeff Harbin is not acting in the best interests of Quantec, LLC or Novo Point, LLC, or if the Receiver reasonably believes that Jeff Harbin is not complying with this Order or is working in conjunction with Jeff Baron to obstruct the Receiver from complying with the Receiver Order dated November 24, 2010.

5. Jeff Harbin shall immediately execute whatever documents Receiver's counsel deem(s) necessary to effectuate the process of the Receiver and his counsel obtaining sole access to all other *domestic* accounts comprising the Receiver Assets, including, without limitation: Roth Conversion IRA account #XXXXXXXXXX0491 at Dreyfus Investments, in the name of the Bank of New York Mellon Cust f/b/o Jeffrey D. Baron; IRA account #U647003 at Delaware Charter Guarantee & Trust d/b/a Principal Trust Company, in the name of Jeff Baron; Roth IRA account #XXX55 at Sterling Trust Company, in the name of Jeff Baron; money market account #XXX9290 at Las Colinas Federal Credit Union, in the name of Jeff D. Baron; Roth IRA account #XX471 at Equity Trust Company, in the name of Jeffrey Baron; account #XXX-XXX236 with TD Ameritrade, in the name of Jeffrey Baron; money market account #XX-XXXXX0893 at American Century Investments, in the name of Jeffrey D. Baron; checking account #XXXXXXXX9614 at Capital One Bank, in the name of Jeffrey D. Baron; money market account #XXXXXXXX5908 at Capital One Bank, in the name of Jeffrey D. Baron; savings account #XXXXXXXX0961 at Capital One Bank, in the name of Jeffrey D. Baron; money market account #XXXX-XXXXXX7102 at Dreyfus Investments, in the name of Jeffrey D. Baron; money market account #XXX-XXXXXX1818 at Evergreen Investments, in the name of Jeffrey D. Baron; checking account #XXXXXXXX5728 at Hibernia National Bank, in the name of Jeffrey D. Baron; international stock index fund account #XXXX-XXXXXXXX7792 at The Vanguard Group, in the name of Jeffrey D. Baron; checking account #XXXXXXXX1261 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1063 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1064 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1065

at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXX2223 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXX7831 at Woodforest National Bank, in the name of Jeffrey D. Baron; commercial checking account #XXXXXXX1811 at NetBank, in the name of Compana LLC; checking account #XXXXXXX3093 at Bank of America, in the name of Diamond Key, LLC; Roth IRA account #XXX-XX1396 at Mid-Ohio Securities Corporation, in the name of Equity Trust Co. Cust IRA of Jeffrey Baron; checking account #XXXXXXX8930 at Bank of America, in the name of Manassas, LLC; checking account #XXXX7068 at Park Cities Bank, in the name of Manassas, LLC; checking account #XXXX1121 at Park Cities Bank, in the name of Novo Point, LLC; account #XXXX3100 at Las Colinas Federal Credit Union, in the name of Ondova Limited Company; and checking account #XXXX1618 at Park Cities Bank, in the name of Quantec, LLC (collectively, the “Baron Domestic Accounts”). For example, but not to be taken as a limitation, Jeff Harbin shall execute immediately upon their presentation letters drafted by the Receiver to each of the aforementioned financial institutions maintaining the Baron Domestic Accounts instructing them immediately to direct any and all funds in Baron Domestic Accounts to the one or more of the accounts identified in paragraph 1 of this Order.

6. Jeff Harbin shall immediately execute whatever documents Receiver’s counsel deem(s) necessary to effectuate the process of the Receiver and his counsel obtaining sole access to all *non-domestic* accounts comprising the Receiver Assets, including, without limitation, all accounts located in the Cook Islands that are owned, controlled or held by, in whole or in part, for the benefit of, or subject to access by, or belonging to any Receivership Party or any other corporation, partnership, trust, or any other entity directly or indirectly owned, managed, or

controlled by, or under common control with, any Receivership Party, including, without limitation, Southpac Trust Limited, The Village Trust, Quantec, LLC, Iguana Consulting, LLC, Novo Point, LLC, Iguana Consulting, Inc., and Quantec, Inc. (“Cook Island Accounts”). For example, but not to be taken as a limitation, Jeff Harbin shall execute immediately upon their presentation letters drafted by the Receiver to Brian Mason and Tine Faasili Poni^a at Southpac Trust Limited and Adrian Taylor at Asiacititrust with instructions relating to any and all Cook Island Accounts managed, controlled by, held by, subject to access by Southpac Trust Limited (“Southpac Trust Limited Accounts”), including a copy of this Order and instructions from Mr. Harbin that Brian Mason, Tine Faasili Ponia, or anyone working for or with either of them including Adrian Taylor at Asiacititrust shall (a) not withdraw any amounts from the Southpac Trust Limited Accounts, (b) not transfer any amounts from those Southpac Trust Limited Accounts, (c) not close the Southpac Trust Limited Accounts, and (d) to take all actions necessary to allow the Receiver and his counsel to gain sole access to and withdraw funds from the Southpac Trust Limited Accounts and direct said funds to one or more of the accounts identified in paragraph 1 of this Order. Nothing in this Order shall be construed either as evidencing or not evidencing that Jeff Harbin, Novo Point, LLC and/or Quantec, LLC are or are not in control of any of the trusts (*i.e.*, the Court is not issuing a ruling at this time as to whether Jeff Harbin, Novo Point, LLC, or Quantec LLC control any of the trusts). Likewise Mr. Harbin’s, Novo Point, LLC’s and/or Quantec LLC’s^x compliance with this Order and/or the Receiver’s instructions shall not be construed either as evidencing or not evidencing that any of Jeff Harbin, Novo Point, LLC and/or Quantec, LLC are or are not in control of any of the trusts.

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7. Jeff Harbin shall immediately execute whatever documents the Receiver or his counsel deem(s) necessary to divert funds to be transferred *by* certain revenue sources (including, but not limited to Netsphere, Hitfarm, Namedrive, Firstlook, Parked, DDC.com, Domainsponsor.com, SEDO, and Trellian / Above) (“Revenue Sources”), *from* whatever accounts the Revenue Sources were currently sending funds *to* one or more of the accounts identified in paragraph 1 of this Order. Further, but not to be taken as a limitation, Jeff Harbin shall immediately upon their presentation execute letters drafted by the Receiver to any internet domain name monetizers instructing the same to direct all funds immediately to one or more of the accounts identified in paragraph 1 of this Order. Mr. Harbin shall not divert or cause to be diverted any funds *by* the Revenue Sources *from* any of the accounts identified in paragraph 1 of this Order *to* any other accounts without prior written or e-mail authorization from the Receiver or his counsel.

8. Without prior written or e-mail authorization of the Receiver or his counsel, Jeff Harbin shall not attempt to retain or terminate any of the Receiver’s Professionals, or any employees, contractors, or other service providers of Quantec, LLC or Novo Point, LLC, including, without limitation, hire or fire attorneys, CPAs, consultants, or the like. pe ✓

9. By 9:00 a.m. on December 28, 2010, Thomas Jackson and Joshua Cox shall both file a sworn statement to the Court setting forth the following information and copies of written documents sufficient to evidence these materials for legal services:

- a. Whom do you purport to represent.
- b. When did you commence that representation?
- c. What is the name of the individual who retained you to represent that party(ies)?
- d. Whether you have been paid a retainer, the amount of the retainer, and the account from which the retainer payment was drawn.

10. By 9:00 a.m. on December 28, 2010, Thomas Jackson, Joshua Cox, James Eckels, and Jeff Harbin, and shall each file a sworn statement to the Court setting forth the following information and copies of written documents sufficient to evidence these materials for legal

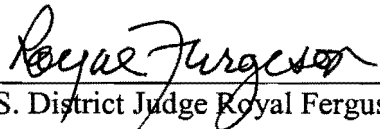
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- a. The amounts you have received from any Receivership Parties since the date of the Receiver Order (“Post Receiver Order Payments”).
- b. Who provided you with the Post Receiver Order Payments.
- c. The account from which the Post Receiver Order Payments was drawn.

If any of these ORDERS are not strictly followed, the Court ORDERS that the Receiver file a SHOW CAUSE MOTION FOR CONTEMPT.

SO ORDERED.

DATED: 12/17/2010


U.S. District Judge Royal Ferguson

The Court disagrees with Mr. Baron. There is a legitimate and lawful basis to liquidate the domain names. Specifically, among the more than 200,000 domain names, there exist thousands of domain names whose costs of upkeep and maintenance for the past year (including, for example but without limitation, annual registrar-renewal fees) exceed the revenue those domain names generated for the same past year (the "Money Losing Domain Names").

The Court hereby Orders that the Receiver identify the Money Losing Domain Names and instruct the registrar not to renew them.

SO ORDERED.

DATED: 12/17/2010



U.S. District Judge Royal Ferguson

following accounts: checking account #XXXXXX1315 at BBVA Compass, in the name of Novo Point, LLC; checking account #XXXXXX1323 at BBVA Compass, in the name of Quantec, LLC; checking account #XXXXXX4043 at BBVA Compass, in the name of Quasar Services, LLC; and checking account #XXXXXX4027 at BBVA Compass, in the name of Quasar Services, LLC, and (b) open a joint account among the Receiver, his counsel, and Jeffrey Baron to be used for disbursements to Jeffrey Baron for daily-living expenses during the period of the receivership (food, medical needs, rent/utilities for condominium, and local transportation—and specifically NOT for Jeffrey Baron to hire or pay for any lawyers) (the “Joint Account”). Jeffrey Baron shall immediately execute a bank signature card upon its presentation by the Receiver for the establishment of the Joint Account.

2. Jeffrey Baron shall immediately execute whatever documents Receiver’s counsel deem(s) necessary to effectuate the process of the Receiver and his counsel obtaining access to all other *domestic* accounts comprising the Receiver Assets, including, without limitation: Roth Conversion IRA account #XXXXXXXXXXXX0491 at Dreyfus Investments, in the name of the Bank of New York Mellon Cust f/b/o Jeffrey D. Baron; IRA account #U647003 at Delaware Charter Guarantee & Trust d/b/a Principal Trust Company, in the name of Jeff Baron; Roth IRA account #XXX55 at Sterling Trust Company, in the name of Jeff Baron; money market account #XXXX9290 at Las Colinas Federal Credit Union, in the name of Jeff D. Baron; Roth IRA account #XX471 at Equity Trust Company, in the name of Jeffrey Baron; account #XXX-XXX236 with TD Ameritrade, in the name of Jeffrey Baron; money market account #XX-XXXX0893 at American Century Investments, in the name of Jeffrey D. Baron; checking account #XXXXXX9614 at Capital One Bank, in the name of Jeffrey D. Baron; money market account #XXXXXX5908 at Capital One Bank, in the name of Jeffrey D. Baron; savings account

#XXXXXXX0961 at Capital One Bank, in the name of Jeffrey D. Baron; money market account #XXXX-XXXXXXX7102 at Dreyfus Investments, in the name of Jeffrey D. Baron; money market account #XXX-XXXXXXX1818 at Evergreen Investments, in the name of Jeffrey D. Baron; checking account #XXXXXXX5728 at Hibernia National Bank, in the name of Jeffrey D. Baron; international stock index fund account #XXXX-XXXXXXXXX7792 at The Vanguard Group, in the name of Jeffrey D. Baron; checking account #XXXXXXX1261 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1063 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1064 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1065 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX2223 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX7831 at Woodforest National Bank, in the name of Jeffrey D. Baron; commercial checking account #XXXXXXX1811 at NetBank, in the name of Compana LLC; checking account #XXXXXXX3093 at Bank of America, in the name of Diamond Key, LLC; Roth IRA account #XXX-XX1396 at Mid-Ohio Securities Corporation, in the name of Equity Trust Co. Cust IRA of Jeffrey Baron; checking account #XXXXXXX8930 at Bank of America, in the name of Manassas, LLC; checking account #XXXX7068 at Park Cities Bank, in the name of Manassas, LLC; checking account #XXXX1121 at Park Cities Bank, in the name of Novo Point, LLC; account #XXXX3100 at Las Colinas Federal Credit Union, in the name of Ondova Limited Company; and checking account #XXXX1618 at Park Cities Bank, in the name of Quantec, LLC (collectively, the “Baron Domestic Accounts”).

3. Jeffrey Baron shall immediately execute whatever documents Receiver’s counsel deem(s) necessary to effectuate the process of the Receiver and his counsel obtaining access to

all *non-domestic* accounts comprising the Receiver Assets, including, without limitation, all accounts located in the Cook Islands that are owned, controlled or held by, in whole or in part, for the benefit of, or subject to access by, or belonging to any Receivership Party or any other corporation, partnership, trust, or any other entity directly or indirectly owned, managed, or controlled by, or under common control with, any Receivership Party, including, without limitation, Southpac Trust Limited, The Village Trust, Quantec, LLC, Iguana Consulting, LLC, Novo Point, LLC, Iguana Consulting, Inc., and Quantec, Inc. (“Cook Island Accounts”). For example, but not to be taken as a limitation, Jeffrey Baron shall execute immediately upon their presentation letters drafted by the Receiver to Brian Mason and Tine Faasili Ponio at Southpac Trust Limited and Adrian Taylor at Asiaciti Trust with a copy of this Order and instructions relating to any and all Cook Island Accounts managed, controlled by, held by, subject to access by Southpac Trust Limited (“Southpac Trust Limited Accounts”), including instructions from Mr. Baron that Mr. Mason, Tine Faasili Ponio, or anyone working for or with either of them including Adrian Taylor at Asiaciti Trust shall (a) not withdraw any amounts from the Southpac Trust Limited Accounts, (b) not transfer any amounts from those Southpac Trust Limited Accounts, (c) not close the Southpac Trust Limited Accounts, and (d) to take all actions necessary to allow the Receiver and his counsel to gain sole access to and withdraw funds from the Southpac Trust Limited Accounts and direct said funds to one or more of the accounts identified in paragraph 2 of this Order. Nothing in this Order shall be construed either as evidencing or not evidencing that Jeffrey Baron is or is not in control of any of the trusts (i.e., the Court is not issuing a ruling at this time as to whether Jeffrey Baron controls any of the trusts). Likewise, Mr. Baron’s compliance with this Order and/or the Receiver’s instructions shall not be

construed either as evidencing or not evidencing that Jeffrey Baron is or is not in control of any of the trusts.

4. Jeffrey Baron shall immediately execute whatever documents the Receiver or his counsel deem(s) necessary to divert funds to be transferred *by* certain revenue sources (including, but not limited to Netsphere, Hitfarm, Namedrive, Firstlook, Parked, DDC.com, Domainsponsor.com, SEDO, and Trellian / Above) (“Revenue Sources”), *from* whatever accounts the Revenue Sources were currently sending funds *to* one or more of the accounts identified in paragraph 2 of this Order. For example, but not to be taken as a limitation, Jeffrey Baron shall immediately upon their presentation execute letters drafted by the Receiver to any of the aforementioned internet domain name monetizers instructing the same to direct all funds immediately to one or more of the accounts identified in paragraph 2 of this Order.

5. By 9:00 a.m. on December 28, 2010, Gary Schepps and Thomas Martin shall both file a sworn statement to the Court setting forth the following information and copies of written documents sufficient to evidence these materials for legal services:

- a. Whom do you purport to represent.
- b. When did you commence that representation?
- c. What is the name of the individual who retained you to represent that party(ies)?
- d. Whether you have been paid a retainer, the amount of the retainer, and the account from which the retainer payment was drawn.

6. By 9:00 a.m. on December 28, 2010, Sid Chesnin, Gary Lyon, Gary Schepps and Thomas Martin shall each file a sworn statement to the Court setting forth the following

information and copies of written documents sufficient to evidence these materials for legal service:

- a. The amounts you have received from any Receivership Parties since the date of the Receiver Order (“Post Receiver Order Payments”).
- b. Who provided you with the Post Receiver Order Payments.
- c. The account from which the Post Receiver Order Payments was drawn.

7. By 9:00 a.m. on December 23, 2010, Jeffrey Baron shall file a sworn statement to the Court setting forth the following information:

- a. The identification number of each account or asset titled in the name, individually or jointly, of any Receivership Party, or held on behalf thereof, or for the benefit thereof, including all trust accounts managed on behalf of any Receivership Party or subject to any Receivership Party’s control
- b. The balance of each such account, or a description of the nature and value of such asset.
- c. The identification and location of any safe deposit box, commercial mail box, or storage facility that is either titled in the name of, rented by, or otherwise controlled by, individually or jointly, any Receivership Party, whether in whole or in part.
- d. If the account, safe deposit box, storage facility, or other asset has been closed or removed, the date closed or removed and the balance of said date.

8. By 9:00 a.m. on December 23, 2010, Jeffrey Baron shall deliver to the Receiver his full tax returns for 2007, 2008, 2009, and 2010.

If any of these ORDERS are not strictly followed, the Court ORDERS that the Receiver file a SHOW CAUSE MOTION FOR CONTEMPT.

SO ORDERED.

DATED: _____

U.S. District Judge Royal Ferguson

**IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT**

No. 10-11202

JEFFREY BARON,

Defendant-Appellant,

versus

ONDOVA LIMITED COMPANY,

Defendant-Appellee.

Appeal from the United States District Court
for the Northern District of Texas

Before HIGGINBOTHAM and SMITH, Circuit Judges.*

PER CURIAM:

IT IS ORDERED that the renewed motion for stay pending appeal is DENIED. There is an inadequate showing at this stage of the proceedings. We express no view on the ultimate merits.

* This matter is decided by a quorum. *See* 28 U.S.C. § 46(d).

2. The Receiver Order defines “Receivership Parties” as Jeffrey Baron and Village Trust, Equity Trust Company IRA 19471, Daystar Trust, Belton Trust, Novo Point, Inc., Iguana Consulting, Inc., Quantec, Inc., Shiloh, LLC, Novquant, LLC, Manassas, LLC, Domain Jamboree, LLC, and ID Genesis, LLC. [*Id.* at p. 1.] The Receiver Order further defines Receivership Parties as “any entity under the direct or indirect control of Jeffrey Baron, whether by virtue of ownership, beneficial interest, a position as officer, director, power of attorney or any other authority to act.” [*Id.* at p. 2.]

3. The Receiver understands, upon information and belief, that the Baron-Controlled Entities are under Baron’s control and, thus, are included in the Receiver Order’s definition of Receivership Parties.

4. The Receiver understands that ID Genesis, LLC was mistakenly incorporated into the Receiver Order as one of the “Receivership Parties.” The Receiver has received confirmation of this understanding from Plaintiff Netsphere, Inc. and Daniel J. Sherman, the duly-appointed Chapter 11 trustee in the bankruptcy case of Ondova, styled in *In re Ondova Limited Company*, Case No. 09-34784, in the United States Bankruptcy Court for the Northern District of Texas

5. The Receiver moves the Court for an order that the definition of “Receivership Parties” (1) has always included the Baron-Controlled Entities and (2) does not include ID Genesis, LLC.

WHEREFORE, PREMISES CONSIDERED, the Receiver Peter S. Vogel respectfully requests that the Court issue an order (1) clarifying that in the Order Appointing Receiver, the definition of Receivership Parties has always included the following entities: Iguana Consulting, LLC, Diamond Key, LLC, Quasar Services, LLC, Javelina, LLC, HCB, LLC, a Delaware limited

liability company, HCB, LLC, a U.S. Virgin Islands limited liability company, Realty Investment Management, LLC, a Delaware limited liability company, Realty Investment Management, LLC, a U.S. Virgin Islands limited liability company, Blue Horizon Limited Liability Company, Simple Solutions, LLC, Asiatrust Limited, Southpac Trust Limited, Stowe Protectors, Ltd., and Royal Gable 3129 Trust; and (2) removing ID Genesis, LLC from the Order Appointing Receiver's definition of Receivership Parties.

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

Peter L. Loh

Texas Bar Card No. 24036982

GARDERE WYNNE SEWELL LLP

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Dallas, Texas 75201

(214) 999 4667 (facsimile)

(214) 999 3000 (telephone)

bgolden@gardere.com

ploh@gardere.com

**ATTORNEYS FOR THE
RECEIVER, PETER S. VOGEL**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via the Court's ECF system on all counsel of record on December 23, 2010.

/s/ Peter L. Loh
Peter L. Loh

CERTIFICATE OF CONFERENCE

Given the nature of this motion, the Receiver does not believe it is necessary to confer with counsel to this case. Nonetheless, the undersigned certifies that counsel for the Receiver attempted to confer via e-mail on December 21 and 22, 2010, with regard to the foregoing motion with all counsel of record in this matter. Counsel either did not respond to the attempt to confer or stated they were unopposed to the motion.

/s/ Peter L. Loh
Peter L. Loh

As specific examples of the Further Clarification (although these are merely examples, and not to be construed as limitations of the Further Clarification), the Court ORDERS that the following shall occur:

1. Jeff Harbin shall meet with counsel for the Receiver at an agreed upon time within one week of the date of this Order, at BBVA Compass Bank, 2301 Cedar Springs Road, Dallas, Texas 75201. Once at the bank, Jeff Harbin shall immediately execute whatever documents Receiver's counsel deem(s) necessary, including documents to effectuate the process for the Receiver and his counsel to obtain joint access to the Receiver Assets, including, without limitation, joint access to the following accounts: checking account #XXXXXXX1315 at BBVA Compass, in the name of Novo Point, LLC; checking account #XXXXXX1323 at BBVA Compass, in the name of Quantec, LLC; ~~checking account #XXXXXXX4043 at BBVA Compass, in the name of Quasar Services, LLC; and checking account #XXXXXXX4027 at BBVA~~ pe
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~~Compass.~~ Jeff Harbin shall not withdraw funds, issue checks, make other payments or enter ~~or~~ into or execute any contracts (written or oral) or in any way obligate Novo Point, LLC and/or Quantec, LLC in any other way, above the amount of \$3,000.00 (THREE THOUSAND DOLLARS) without the express written or e-mail authorization by the Receiver or his counsel, and the account shall be set up with the bank with those same restrictions (*i.e.*, permitting the Receiver or his counsel to withdraw funds, issues checks, or make payments above \$3,000 without Mr. Harbin's signature, but not permitting Mr. Harbin to withdraw funds, issue checks, or make payments above \$3,000 without the Receiver's or the Receiver's Counsel's signature). On or before the tenth day of each month, Mr. Harbin shall provide the Receiver and his counsel with a full and complete written accounting for the previous month of all of the accounts

**ORDER GRANTING THE RECEIVER'S MOTION
TO CLARIFY THE RECEIVER ORDER
WITH RESPECT TO NOVO POINT, LLC AND QUANTEC, LLC**

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identified in this paragraph, including, all transactions (regardless of whether the transactions involved more or less than \$3,000) and including among other things, (a) an accounting of all withdrawals from any and all of these accounts, (b) checks issued from any and all of these accounts, (c) payments made to any and all of these accounts, (d) deposits into any and all of these accounts, (e) contracts (written or oral) entered into on behalf of Quantec, LLC or Novo Point, LLC, and (f) any other obligations entered into on behalf of Quantec, LLC or Novo Point, LLC.

2. Jeff Harbin shall report to the Receiver and his counsel all communications with Jeff Baron within 48 hours after such communications occur.

pl 3. Jeff Harbin shall provide to the Receiver and his counsel all written and e-mail *o* communications occurring since the date of this Order to or from (a) Jeff Baron, (b) Gary Schepps, (c) any other attorney representing Jeff Baron, (d) any other individual purporting to represent or act on behalf of Jeff Baron, (e) Mike Robertson, or (f) any other employee, representative, contractor, or agent of Fabulous.com or any other registrar.

pl 4. The Receiver shall have the right to terminate Jeff Harbin immediately (meaning at *o* any time and without prior notice) if the Receiver reasonably believes that Jeff Harbin is not acting in the best interests of Quantec, LLC or Novo Point, LLC, or if the Receiver reasonably believes that Jeff Harbin is not complying with this Order or is working in conjunction with Jeff Baron to obstruct the Receiver from complying with the Receiver Order dated November 24, 2010.

5. Jeff Harbin shall immediately execute whatever documents Receiver's counsel deem(s) necessary to effectuate the process of the Receiver and his counsel obtaining sole access to all other *domestic* accounts comprising the Receiver Assets, including, without limitation: Roth Conversion IRA account #XXXXXXXXXXXX0491 at Dreyfus Investments, in the name of the Bank of New York Mellon Cust f/b/o Jeffrey D. Baron; IRA account #U647003 at Delaware Charter Guarantee & Trust d/b/a Principal Trust Company, in the name of Jeff Baron; Roth IRA account #XXX55 at Sterling Trust Company, in the name of Jeff Baron; money market account #XXXX9290 at Las Colinas Federal Credit Union, in the name of Jeff D. Baron; Roth IRA account #XX471 at Equity Trust Company, in the name of Jeffrey Baron; account #XXX-XXX236 with TD Ameritrade, in the name of Jeffrey Baron; money market account #XX-XXXX0893 at American Century Investments, in the name of Jeffrey D. Baron; checking account #XXXXXXXX9614 at Capital One Bank, in the name of Jeffrey D. Baron; money market account #XXXXXXXX5908 at Capital One Bank, in the name of Jeffrey D. Baron; savings account #XXXXXXXX0961 at Capital One Bank, in the name of Jeffrey D. Baron; money market account #XXXX-XXXXXX7102 at Dreyfus Investments, in the name of Jeffrey D. Baron; money market account #XXX-XXXXXX1818 at Evergreen Investments, in the name of Jeffrey D. Baron; checking account #XXXXXXXX5728 at Hibernia National Bank, in the name of Jeffrey D. Baron; international stock index fund account #XXXX-XXXXXXXX7792 at The Vanguard Group, in the name of Jeffrey D. Baron; checking account #XXXXXXXX1261 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1063 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1064 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX1065

**ORDER GRANTING THE RECEIVER'S MOTION
TO CLARIFY THE RECEIVER ORDER
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at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX2223 at Woodforest National Bank, in the name of Jeffrey D. Baron; CD account #CDXXXXXXXX7831 at Woodforest National Bank, in the name of Jeffrey D. Baron; commercial checking account #XXXXXXXX1811 at NetBank, in the name of Compana LLC; checking account #XXXXXXXX3093 at Bank of America, in the name of Diamond Key, LLC; Roth IRA account #XXX-XX1396 at Mid-Ohio Securities Corporation, in the name of Equity Trust Co. Cust IRA of Jeffrey Baron; checking account #XXXXXXXX8930 at Bank of America, in the name of Manassas, LLC; checking account #XXXX7068 at Park Cities Bank, in the name of Manassas, LLC; checking account #XXXX1121 at Park Cities Bank, in the name of Novo Point, LLC; account #XXXX3100 at Las Colinas Federal Credit Union, in the name of Ondova Limited Company; and checking account #XXXX1618 at Park Cities Bank, in the name of Quantec, LLC (collectively, the "Baron Domestic Accounts"). For example, but not to be taken as a limitation, Jeff Harbin shall execute immediately upon their presentation letters drafted by the Receiver to each of the aforementioned financial institutions maintaining the Baron Domestic Accounts instructing them immediately to direct any and all funds in Baron Domestic Accounts to the one or more of the accounts identified in paragraph 1 of this Order.

6. Jeff Harbin shall immediately execute whatever documents Receiver's counsel deem(s) necessary to effectuate the process of the Receiver and his counsel obtaining sole access to all *non-domestic* accounts comprising the Receiver Assets, including, without limitation, all accounts located in the Cook Islands that are owned, controlled or held by, in whole or in part, for the benefit of, or subject to access by, or belonging to any Receivership Party or any other corporation, partnership, trust, or any other entity directly or indirectly owned, managed, or

controlled by, or under common control with, any Receivership Party, including, without limitation, Southpac Trust Limited, The Village Trust, Quantec, LLC, Iguana Consulting, LLC, Novo Point, LLC, Iguana Consulting, Inc., and Quantec, Inc. (“Cook Island Accounts”). For example, but not to be taken as a limitation, Jeff Harbin shall execute immediately upon their presentation letters drafted by the Receiver to Brian Mason and Tine Faasili Ponia^a at Southpac Trust Limited and Adrian Taylor at Asiakititrust with instructions relating to any and all Cook Island Accounts managed, controlled by, held by, subject to access by Southpac Trust Limited (“Southpac Trust Limited Accounts”), including a copy of this Order and instructions from Mr. Harbin that Brian Mason, Tine Faasili Ponia, or anyone working for or with either of them including Adrian Taylor at Asiakititrust shall (a) not withdraw any amounts from the Southpac Trust Limited Accounts, (b) not transfer any amounts from those Southpac Trust Limited Accounts, (c) not close the Southpac Trust Limited Accounts, and (d) to take all actions necessary to allow the Receiver and his counsel to gain sole access to and withdraw funds from the Southpac Trust Limited Accounts and direct said funds to one or more of the accounts identified in paragraph 1 of this Order. Nothing in this Order shall be construed either as evidencing or not evidencing that Jeff Harbin, Novo Point, LLC and/or Quantec, LLC are or are not in control of any of the trusts (*i.e.*, the Court is not issuing a ruling at this time as to whether Jeff Harbin, Novo Point, LLC, or Quantec LLC control any of the trusts). Likewise Mr. Harbin’s, Novo Point, LLC’s and/or Quantec LLC’s^x compliance with this Order and/or the Receiver’s instructions shall not be construed either as evidencing or not evidencing that any of Jeff Harbin, Novo Point, LLC and/or Quantec, LLC are or are not in control of any of the trusts.

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7. Jeff Harbin shall immediately execute whatever documents the Receiver or his counsel deem(s) necessary to divert funds to be transferred *by* certain revenue sources (including, but not limited to Netsphere, Hitfarm, Namedrive, Firstlook, Parked, DDC.com, Domainsponsor.com, SEDO, and Trellian / Above) (“Revenue Sources”), *from* whatever accounts the Revenue Sources were currently sending funds *to* one or more of the accounts identified in paragraph 1 of this Order. Further, but not to be taken as a limitation, Jeff Harbin shall immediately upon their presentation execute letters drafted by the Receiver to any internet domain name monetizers instructing the same to direct all funds immediately to one or more of the accounts identified in paragraph 1 of this Order. Mr. Harbin shall not divert or cause to be diverted any funds *by* the Revenue Sources *from* any of the accounts identified in paragraph 1 of this Order *to* any other accounts without prior written or e-mail authorization from the Receiver or his counsel.

8. Without prior written or e-mail authorization of the Receiver or his counsel, Jeff Harbin shall not attempt to retain or terminate any of the Receiver’s Professionals, or any employees, contractors, or other service providers of Quantec, LLC or Novo Point, LLC, including, without limitation, hire or fire attorneys, CPAs, consultants, or the like. pe ✓

9. By 9:00 a.m. on December 28, 2010, Thomas Jackson and Joshua Cox shall both file a sworn statement to the Court setting forth the following information and copies of written documents sufficient to evidence these materials for legal services:

- a. Whom do you purport to represent.
- b. When did you commence that representation?
- c. What is the name of the individual who retained you to represent that party(ies)?
- d. Whether you have been paid a retainer, the amount of the retainer, and the account from which the retainer payment was drawn.

10. By 9:00 a.m. on December 28, 2010, Thomas Jackson, Joshua Cox, James Eckels, and Jeff Harbin, and shall each file a sworn statement to the Court setting forth the following information and copies of written documents sufficient to evidence these materials for legal

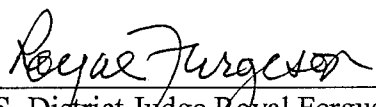
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- a. The amounts you have received from any Receivership Parties since the date of the Receiver Order ("Post Receiver Order Payments").
- b. Who provided you with the Post Receiver Order Payments.
- c. The account from which the Post Receiver Order Payments was drawn.

If any of these ORDERS are not strictly followed, the Court ORDERS that the Receiver file a SHOW CAUSE MOTION FOR CONTEMPT.

SO ORDERED.

DATED: 12/17/2010


U.S. District Judge Royal Ferguson

ORDER GRANTING THE RECEIVER'S MOTION
TO CLARIFY THE RECEIVER ORDER
WITH RESPECT TO NOVO POINT, LLC AND QUANTEC, LLC

PAGE-8

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE INC.,	§	
MANILA INDUSTRIES, INC.; and	§	
MUNISH KRISHAN	§	
Plaintiffs,	§	
	§	CIVIL ACTION NO. 3-09-CV-0988-F
v.	§	
	§	
JEFFREY BARON and	§	
ONDOVA LIMITED COMPANY,	§	
Defendants.	§	

SWORN DECLARATION OF THOMAS P. JACKSON

Thomas P. Jackson declares under penalty of perjury pursuant to the laws of the United States as follows:

1. My name is Thomas P. Jackson.
2. I represent Quantec, L.L.C. and Novo Point, L.L.C. in this case.
3. I was hired by Jeffrey Harbin, the manager of Quantec, L.L.C. and Novo Point, L.L.C., to represent these companies.
4. I was paid a \$5,000.00 fee to take the case in the form of a check drawn on the business account of Jeffrey Harbin, CPA.

Further Affiant Sayeth Not.

Signed under penalty of perjury under the laws of the United States this 23rd day of December, 2010.

/s/ Thomas P. Jackson _____
Thomas P. Jackson

CERTIFICATE OF SERVICE

I hereby certify that on December 23, 2010, a true and correct copy of the foregoing was sent to all parties requesting electronic service through the Court's ECF system.

/s/ Thomas P. Jackson

Thomas P. Jackson

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	Civil Action No. 3-09CV0988-F
MANILA INDUSTRIES, INC., and	§	
MUNISH KRISHAN,	§	
Plaintiffs.	§	
	§	
v.	§	
	§	
JEFFREY BARON, and	§	
ONDOVA LIMITED COMPANY,	§	
Defendants.	§	

OBJECTION TO PROPOSED ORDER ON MOTION [DOC#167]

TO THE HONORABLE ROYAL FURGESON, U.S. DISTRICT COURT JUDGE:

COMES NOW, Gary Schepps and objects to the proposed order on the motion in docket #167.

1. This is an objection to the proposed order¹. A response to [Doc#167] (“the motion”) will be filed separately, at later date. The motion was filed on 12/15/2010 and responses are due 21 days thereafter, on January 5, 2011.

2. By virtue of this Court’s orders and the receiver’s directives to him, Mr. Baron is not being represented by counsel with respect to this motion. Appellate counsel been retained strictly and narrowly on the issue of appealing the receivership order. This objection is filed because the proposed order seeks relief against appellate counsel personally. To the extent permitted by law, counsel

¹ This is an objection to the proposed order tendered on December 17. Multiple alternative proposed orders have since been circulated by counsel for the receiver, but no leave of Court has been obtained for doing so, and it is unclear which of the multiple drafts is the ‘active’ proposed order.

extends his objection to benefit of every party in interest without undertaking to represent any party on the matters objected to herein.

3. Objection is made that the requested relief seeks to ‘front run’ the pending motion for stay. No exigent circumstance has been asserted for the relief requested by the receiver—Mr. Baron’s assets have been firmly frozen.

4. Objection is made that the receiver’s motion [Doc#167] (“the motion”) is inflammatory and the substantive allegations, such that Mr. Baron controls the trust LLCs, etc., are wholly unsupported.

5. Objection is made that the motion fails to include a certificate of conference in compliance with local rule 7.1. Objection is also made that although the motion is opposed, the motion fails to include a brief in compliance with the same rule.

6. Objection is made that the motion and order seek to compel counsel to provide attorney-client privileged information including the "nature and circumstances of their involved in this matter". Counsel for a party who have not injected themselves into the case as fact witnesses should not be the subject of interrogation. The proposed order seeks to interfere with the attorney-client relationship, injecting appellate counsel for Mr. Baron as a fact witness.

7. It is Notable that:

- a. The proposed Order seeks to order an individual to go to the receiver to determine his medical needs. Such requirement violates an individual's Constitutional right to privacy. Similarly it violates an individual's right to manage his own body and medical care. The proposed order would also violate medical privilege.
- b. The proposed order is patently unreasonable in seeking to turn over asserted millions of dollars as identified in the motion to a receiver posting only a \$1,000.00 bond.
- c. It is also patently unreasonable to turn over millions of dollars to receiver the court has ordered is exempt from liability for common law negligence.

8. Objection is made to the exhibits offered in support of the motion, specifically:

- a. The email exhibits are unauthenticated and hearsay.
- b. The declaration of Peter Loh, is not based on personal knowledge.

Accordingly, the proposed order is hereby objected to, and a full response will be filed by January 5, 2011.

Respectfully submitted,

/s/ Gary N. Schepps

Gary N. Schepps

State Bar No. 00791608

Drawer 670804

Dallas, Texas 75367

(214) 210-5940

(214) 347-4031 Facsimile

CERTIFICATE OF SERVICE

This is to certify that this was served on all parties who receive notification through the Court's electronic filing system.

/s/ Gary N. Schepps _____
Gary N. Schepps

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	Civil Action No. 3-09CV0988-F
MANILA INDUSTRIES, INC., and	§	
MUNISH KRISHAN,	§	
Plaintiffs.	§	
	§	
v.	§	
	§	
JEFFREY BARON, and	§	
ONDOVA LIMITED COMPANY,	§	
Defendants.	§	

**MOTION TO STRIKE SHERMAN RESPONSE TO MOTION TO
DISQUALIFY [DOC 172]**

TO THE HONORABLE ROYAL FURGESON, U.S. DISTRICT COURT JUDGE:

COMES NOW, Jeffrey Baron, Appellant, and respectfully requests this Court to strike the response to Motion to Disqualify Mr. Urbanik filed by Mr. Sherman [DOC 172] and award costs to Mr. Baron because Mr. Sherman's motion was filed in multifarious violation of Rule 11(c)(2).

Mr. Sherman's response [DOC 172] includes in the same instrument a "Motion for Sanctions". Mr. Sherman's motion directly violates Rule 11(c)(2) in that:

1. The motion for sanctions was not filed separately.
2. The motion for sanctions was not first served under Rule 5 prior to filing and presentment to the Court.

Appellate counsel for Mr. Baron has raised substantive legal issues to the attention of the Court. In response counsel has been faced with a series of personally directed charges and accusations, brought both by Mr. Sherman and on behalf of the receiver.

The Rules of Procedure are specifically designed so that accusations of sanctionable conduct will be not be used as a tool of advocacy. Firstly, such accusations must be made separately, so as not to taint the issues raised in another matter. Secondly, a party must first attempt to confer with counsel weeks prior to presenting the accusations to the Court.

Mr. Sherman's conduct in attempting to bypass the rules and improperly inject allegations of sanctionable conduct is clearly in violation of Rule 11. Pursuant to Rule 11(c)(2) an award of reasonable expenses including attorney's fees incurred on behalf of Mr. Baron in responding to the motion are proper.

Accordingly, Mr. Baron respectfully requests this Court to strike the response filed by Mr. Sherman to the Motion to Disqualify Mr. Urbanik [DOC 172] and award costs to Mr. Baron.

Respectfully submitted,

/s/ Gary N. Schepps

Gary N. Schepps

State Bar No. 00791608

Drawer 670804

Dallas, Texas 75367

(214) 210-5940

(214) 347-4031 Facsimile

**APPELLATE COUNSEL FOR
JEFFREY BARON**

CERTIFICATE OF SERVICE

This is to certify that this was served on all parties who receive notification through the Court's electronic filing system.

/s/ Gary N. Schepps

Gary N. Schepps

CERTIFICATE OF CONFERENCE

This is to certify that the undersigned called and left messages for Mr. Raymond J. Urbanik, attorney for DANIEL J. SHERMAN, Trustee for ONDOVA LIMITED COMPANY, and they did not return the calls.

/s/ Gary N. Schepps

Gary N. Schepps

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**NETSPHERE INC.,
MANILA INDUSTRIES, INC.; and
MUNISH KRISHAN
Plaintiffs,**

v.

**JEFFREY BARON and
ONDOVA LIMITED COMPANY,
Defendants**

§
§
§
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§
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§
§
§

CIVIL ACTION NO. 3-09-CV-0988-F


SWORN DECLARATION OF JEFFREY L. HARBIN

Paragraph 10 in Document 176 - ORDER GRANTING THE RECEIVER'S MOTION TO CLARIFY THE RECEIVER ORDER WITH RESPECT TO NOVO POINT, LLC AND QUANTEC, LLC filed with the court on December 17, 2010 states that I am required to "file a sworn statement to the Court" for "legal services", and although I have not provided any "legal services", I am in good faith filing this sworn statement for services rendered:

Jeffrey L. Harbin declares under penalty of perjury pursuant to the laws of the United States as follows:

1. My name is Jeffrey L. Harbin.
2. I am the Manager of Novo Point, LLC and Quantec, LLC.
3. I was hired by Southpac Trust International, Inc., trustee of The Village Trust (a Cook Islands entity). A copy of the Member's Resolution is attached.
4. To date I have received no payments from Novo Point, LLC, Quantec, LLC or any Receiver parties either Pre or Post Receiver Order.

Signed under penalty of perjury under the laws of the United States this 27th day of December, 2010.



Jeffrey L. Harbin

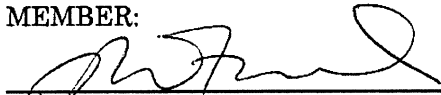
QUANTEC, LLC
Members' Resolution
Dated 6 October 2010

1. Southpac Trust International, Inc. as trustee from 29 September 2010 of The Village Trust established by trust deed dated 30 December 2005 is the sole Member (the "Member") of Quantec, LLC, a Cook Islands Limited Liability Company (the "Company");
2. The place of business and registered office of the Company is in the Cook Islands.
3. Novquant, LLC, is the current Manager of the Company and wishes to resign as Manager.
4. The Member has the power to appoint each successor Manager pursuant to section 11.1 of the Company Agreement dated 1 July 2009 (the "Company Agreement") and wishes to appoint Mr Jeffrey L. Harbin of 6503 Camille Ave, Dallas, TX 75252-5436, USA as successor Manager of the Company.

NOW THEREFORE BY CONSENT AND RESOLUTION THE MEMBER:

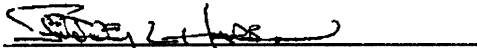
- A. Pursuant to section 11.1 of the Company Agreement hereby appoints Mr Jeffrey L. Harbin as successor Manager of the Company effective immediately; and
- B. Hereby accepts the resignation of Novquant, LLC as Manager effective immediately.

MEMBER:



Southpac Trust International, Inc., as trustee of The Village Trust
Member, by its authorised signatory

THE UNDERSIGNED Jeffrey L Harbin hereby accepts his appointment as
successor Manager



Jeffrey L. Harbin, Successor Manager

ACKNOWLEDGED:

Novquant, LLC, by its authorised signatory

QUANTEC, LLC
Members' Resolution
Dated 6 October 2010

1. Southpac Trust International, Inc. as trustee from 29 September 2010 of The Village Trust established by trust deed dated 30 December 2005 is the sole Member (the "Member") of Quantec, LLC, a Cook Islands Limited Liability Company (the "Company");
2. The place of business and registered office of the Company is in the Cook Islands.
3. Novquant, LLC, is the current Manager of the Company and wishes to resign as Manager.
4. The Member has the power to appoint each successor Manager pursuant to section 11.1 of the Company Agreement dated 1 July 2009 (the "Company Agreement") and wishes to appoint Mr Jeffrey L. Harbin of 6503 Camille Ave, Dallas, TX 75252-5436, USA as successor Manager of the Company.

NOW THEREFORE BY CONSENT AND RESOLUTION THE MEMBER:

- A. Pursuant to section 11.1 of the Company Agreement hereby appoints Mr Jeffrey L. Harbin as successor Manager of the Company effective immediately; and
- B. Hereby accepts the resignation of Novquant, LLC as Manager effective immediately.

MEMBER:

Southpac Trust International, Inc., as trustee of The Village Trust
Member, by its authorised signatory

THE UNDERSIGNED Jeffrey L. Harbin hereby accepts his appointment as
successor Manager

Jeffrey L. Harbin, Successor Manager

ACKNOWLEDGED:

ATP NOMINEES LIMITED
BY ITS DAILY AUTHORISED OFFICER

Novquant, LLC, by its authorised signatory

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE INC.,
MANILA INDUSTRIES, INC.; and
MUNISH KRISHAN
Plaintiffs,

v.

JEFFREY BARON and
ONDOVA LIMITED COMPANY,
Defendants.

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CHAPTER 11

CIVIL ACTION NO. 3-09-CV-0988-F

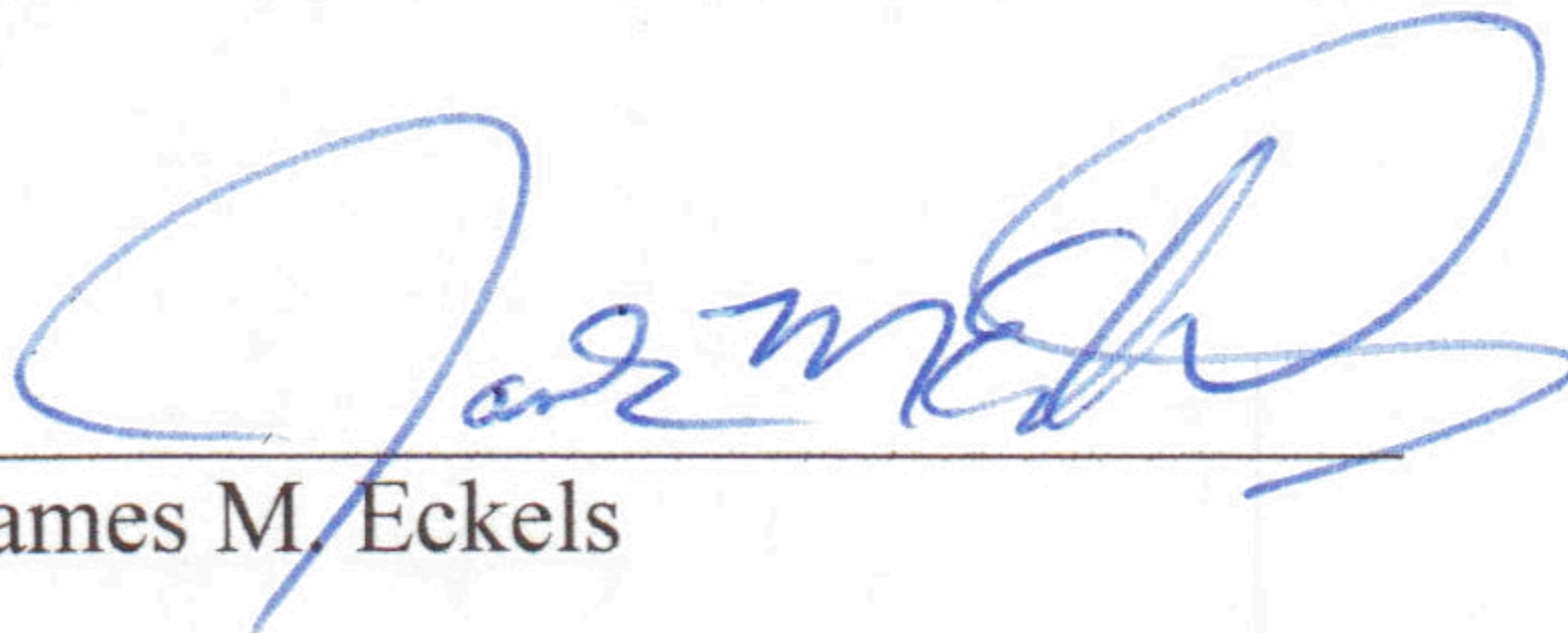
SWORN DECLARATION OF JAMES M. ECKELS

Pursuant to U.S. District Judge Royal Ferguson's Order Granting the Receiver's Motion to Clarify the Receiver Order with Respect to Novo Point, LLC and Quantec, LLC, James M. Eckels declares under penalty of perjury pursuant to the laws of the United States as follows:

1. My name is James M. Eckels.
2. Since the date of the Receiver Order, November 24, 2010, I have not received any monies whatsoever from any Receivership Parties.

Further Affiant Sayeth Not.

Signed under penalty of perjury under the laws of the United States this 24th day of December, 2010.


James M. Eckels

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	
MANILA INDUSTRIES, INC. AND	§	
MUNISH KRISHAN	§	
	§	
PLAINTIFFS,	§	
	§	
v.	§	CIVIL ACTION NO. 3:09-CV-0988-F
	§	
JEFFREY BARON AND	§	
ONDOVA LIMITED COMPANY,	§	
	§	
DEFENDANTS.	§	

SWORN DECLARATION OF JOSHUA E. COX

JOSHUA E. COX declares under penalty of perjury pursuant to the laws of the United States as follows:

1. My name is Joshua E. Cox.
2. I represent Quantec, LLC and Novo Point, LLC in this case.
3. I was retained on or about September 15, 2010 by Adrian Taylor of Novquant, LLC, the then-manager of Quantec, LLC and Novo Point, LLC to represent those companies.
4. I was not paid a retainer to commence such representation.
5. Since entry of the Order Appointing Receiver I have not received any amount from any Receivership Party.

Further Affiant Sayeth Not.

Signed under penalty of perjury under the laws of the United States this 27th day of December, 2010.

/s/ Joshua E. Cox
Joshua E. Cox

CERTIFICATE OF SERVICE

I hereby certify that on December 27, 2010, a true and correct copy of the foregoing was sent to all parties requesting electronic service through the Court's ECF system.

/s/ Joshua E. Cox
Joshua E. Cox

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	Civil Action No. 3-09CV0988-F
MANILA INDUSTRIES, INC., and	§	
MUNISH KRISHAN,	§	
Plaintiffs.	§	
	§	
v.	§	
	§	
JEFFREY BARON, and	§	
ONDOVA LIMITED COMPANY,	§	
Defendants.	§	

REPLY TO SHERMAN RESPONSE TO MOTION TO DISQUALIFY
[DOC 172]

TO THE HONORABLE ROYAL FURGESON, U.S. DISTRICT COURT JUDGE:

COMES NOW, Jeffrey Baron, Appellant, and subject to the pending motion to strike such response, respectfully replies to the response to Motion to Disqualify Mr. Urbanik [DOC 172].

I. SUMMARY

Mr. Urbanik’s conduct is unethical because his position as an advocate before this Court was used to interfere with the fair, unbiased hearing of evidence at issue before the Court. The ethical rule prohibits an attorney from doing exactly that—being both an advocate and a fact witness to establish essential facts on behalf of his client.

II. THE ETHICAL RULE IS MANDATORY, NOT OPTIONAL

Texas Disciplinary Rules of Professional Conduct are mandatory in character because they establish the minimum level of conduct below which no lawyer can fall. *Koch Oil Co. v. Anderson Producing, Inc.*, 883 SW 2d 784, 787 (Tex.App. Beaumont–1994).

III. THE EVIDENCE TESTIFIED TO BY MR. URBANIK WAS ESSENTIAL

The evidence Mr. Urbanik claimed to testify to in his declaration included essential facts such as that Mr. Baron had taken steps had to transfer 300,000 internet domain names, to a foreign entity outside of the jurisdiction of the federal courts. Although the fact itself is suspect— no attempt was made to change the ownership of the names, and the names are serviced ultimately by a US company, Mr. Urbanik never-the-less injected himself as a fact witness as to those facts. Similarly Mr. Urbanik claims personal knowledge that entities located in the Cook Islands are controlled by Mr. Baron, etc. These are clearly essential facts, and Mr. Urbanik clearly is offering claims of personal knowledge as to them.

IV. THE STATE ETHICS RULE

In his response, Mr. Sherman makes reference to the comments of the state ethics rules, but noticeably omits mention of the relevant comment, Comment 4.

Comment 4 to Rule 3.08 (Lawyer as Witness) explains the application of the rule in this circumstance:

[T]he principal concern over allowing a lawyer to serve as both an advocate and witness for a client is the possible confusion that those dual roles could create for the finder of fact. Normally those dual roles are unlikely to create exceptional difficulties when the lawyer's testimony is limited to the areas set out in sub-paragraphs (a)(1)-(4) of this Rule. **If, however, the lawyer's testimony concerns a controversial or contested matter, combining the roles of advocate and witness can unfairly prejudice the opposing party.** A witness is required to testify on the basis of personal knowledge, while an advocate is expected to explain and comment on evidence given by others. It may not be clear whether a statement by an advocate-witness should be taken as proof or as an analysis of the proof.

Mr. Sherman also neglects to fully cite the content of Comment 10:

This Rule may furnish some guidance in those procedural disqualification disputes where the party seeking disqualification can demonstrate actual prejudice to itself resulting from the opposing lawyer's service in the dual roles. ... [A] lawyer should not seek to disqualify an opposing lawyer by unnecessarily calling that lawyer as a witness. Such unintended applications of this Rule, if allowed, would subvert its true purpose by converting it into a mere tactical weapon in litigation.

Notably, *Mr. Baron* did not intend to call Mr. Urbanik as a witness. Mr. Urbanik **injected himself into the case as a fact witness with personal knowledge** and filed a sworn declaration in opposition to Mr. Baron's motion to stay pending appeal. Mr. Urbanik's testimony was the *only* declaration testimony offered in opposition to the motion to stay. Accordingly, the attempt to call Mr. Urbanik's as a witness was not done by Mr. Baron (as some litigation ploy), it was done purposely by Mr. Urbanik. Moreover, counsel for Mr. Baron attempted to

give all benefit of the doubt to Mr. Urbanik, and treated him as a party in interest who had filed on his own behalf, thus avoiding any ethical issue. It was only when Mr. Urbanik insisted and made clear that under no circumstances was he in any way a party to the proceedings, that the ethical issue became acute.

As explained in a recent opinion of the Fourteenth District Court of Appeals in Houston (*IN RE: GEORGE E. GUIDRY, DWIGHT W. ANDRUS, III AND DWIGHT W. ANDRUS INSURANCE, INC.*, No. 14-10-00464-CV):

In denying the motion to disqualify, the trial court may have determined that allowing Jefferson to occupy dual roles as trial lawyer and fact witness would not cause the Brokers actual prejudice. To the extent that the trial court made this determination, we conclude that the court clearly abused its discretion. *See In re Bahn*, 13 S.W.3d at 874 (concluding that **lawyer's dual roles as trial lawyer and fact witness would cause actual prejudice to opposing party**).

V. FEDERAL, NOT STATE APPLICATION OF ETHICAL VIOLATION

The majority of Mr. Sherman's offered cases are not relevant to the motion to disqualify because "[A] District Court is obliged to take measures against unethical conduct occurring in connection with any proceeding before it. *Sanders v. Russell*, 5 Cir. 1968, 401 F.2d 241, 246". *Woods v. Covington Cty. Bank*, 537 F.2d 804, 810 (5th Cir. 1976). Motions to disqualify are substantive motions affecting the rights of the parties and are determined under federal law. *In re Dresser Industries, Inc.*, 972 F.2d 540, 543 (5th Cir. 1992).

The consideration in disqualification is not a state remedy. While state ethics violation is key, the Court must consider the motion governed by the ethical rules announced by the national profession and in the light of the public interest and the litigants' rights. *In Re Dresser*, and see *Brennan's Inc. v. Brennan's Restaurants, Inc.*, 590 F.2d 168, 171 (5th Cir. 1979).

VI. OBLIGATION TO THE COURT AND PROCESS, NOT TO CLIENT

Rule 3.08 protects against two diverse interests— (1) To protect the client being represented by preventing his own attorney from acting against the client's interests as a witness and (2) To protect the fairness of the judicial process.

In our case, the second interest is invoked.

As explained by the Fifth Circuit:

“A motion to disqualify counsel is a proper method for a party-litigant to bring the issues of conflict of interest or a breach of ethical duties to the attention of the court.” Indeed “a District Court is obliged to take measures against unethical conduct occurring in connection with any proceeding before it.”

McCuin v. Texas Power & Light Co., 714 F. 2d 1255, 1264 (5th Cir. 1983)

VII. CONCLUSION

Pursuant to Texas Disciplinary Rules of Professional Conduct 3.08, it is unethical for Mr. Urbanik to be both an advocate before the Court and a fact witness of facts essential to the relief requested by him as an advocate. Because Mr. Urbanik injected himself as a fact witness as to essential substantive allegations against Mr. Baron, Mr. Urbanik must be disqualified as counsel in this case.

Respectfully submitted,

/s/ Gary N. Schepps
Gary N. Schepps
State Bar No. 00791608
Drawer 670804
Dallas, Texas 75367
(214) 210-5940
(214) 347-4031 Facsimile
**APPELLATE COUNSEL FOR
JEFFREY BARON**

CERTIFICATE OF SERVICE

This is to certify that this was served on all parties who receive notification through the Court's electronic filing system.

/s/ Gary N. Schepps
Gary N. Schepps

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

Peter L. Loh

Texas Bar Card No. 24036982

GARDERE WYNNE SEWELL LLP

1601 Elm Street, Suite 3000

Dallas, Texas 75201

(214) 999 4667 (facsimile)

(214) 999 3000 (telephone)

bgolden@gardere.com

ploh@gardere.com

**ATTORNEYS FOR THE
RECEIVER PETER S. VOGEL**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via the Court's ECF system on all counsel of record on December 29, 2010.

/s/ Peter L. Loh

Peter L. Loh

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

Peter L. Loh

Texas Bar Card No. 24036982

GARDERE WYNNE SEWELL LLP

1601 Elm Street, Suite 3000

Dallas, Texas 75201

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bgolden@gardere.com

ploh@gardere.com

**ATTORNEYS FOR THE
RECEIVER PETER S. VOGEL**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via the Court's ECF system on all counsel of record on December 29, 2010.

/s/ Peter L. Loh

Peter L. Loh

I. SUMMARY OF REQUEST

Name of Applicant: Peter S. Vogel on behalf of Joshua Cox
Application Period: November 24, 2010 – December 15, 2010

Application Period (November 24, 2010 to December 15, 2010)

	<u>Fees</u>	<u>Expenses</u>		<u>Total</u>
Amounts Requested	\$7,187.50	\$0.00		\$7,187.50
Less: Amounts Previously Paid	<u>\$0.00</u>	<u>\$0.00</u>		<u>\$0.00</u>
Total Compensation Due	\$7,187.50	\$0.00	=	\$7,187.50
	<u>100%</u>	<u>100%</u>		
Total Req. Paid By This Appl.	\$7,187.50	\$7,187.50	=	\$7,187.50

II. PRELIMINARY STATEMENT

In this First Cox Fee Application, the Receiver asks this Court for approval and allowance of all (100%) fees earned and expenses incurred by Cox during the First Cox Fee Application Period. As shown by the record before this Court and the exhibit attached hereto, Cox has worked diligently on behalf of Receivership Party Novo Point, LLC (“Novo Point”). The Receiver believes that Cox performed valuable work on behalf of Novo Point after entry of the Receiver Order and has assisted the Receiver in carrying out his duties pursuant to the Receiver Order. Accordingly, the Receiver requests the Court’s approval of the First Cox Fee Application.

III. SUPPORT

In support of the First Cox Fee Application, the Receiver is attaching Exhibit A which is a true and correct copy of Cox’s invoice for legal and professional services rendered during the First Cox Fee Application Period.¹ The invoice includes detailed narratives of the work Cox performed in the First Cox Fee Application Period.

¹ Fees incurred by Cox and accompanying narratives prior to entry of the Receiver Order on November 24, 2010, which appear on Exhibit A are excluded from this First Cox Fee Application. Application for reimbursement of fees incurred prior to entry of the Receiver Order will be dealt with at a later time.

IV. REQUEST

The Receiver respectfully requests that this Court enter an order (a) allowing and authorizing compensation to the Receiver in the amount of \$7,187.50, for the period from November 24, 2010, through December 15, 2010; (b) directing the Receiver, and his agents or representatives, to immediately pay all allowed amounts for services rendered and expenses incurred; and (c) awarding the Receiver such other and further relief that this Court deems just and proper.

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

Peter L. Loh

Texas Bar Card No. 24036982

GARDERE WYNNE SEWELL LLP

1601 Elm Street, Suite 3000

Dallas, Texas 75201

(214) 999 4667 (facsimile)

(214) 999 3000 (telephone)

bgolden@gardere.com

ploh@gardere.com

**ATTORNEYS FOR THE
RECEIVER, PETER S. VOGEL**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via the Court's ECF system on all counsel of record on December 29, 2010.

/s/ Peter L. Loh

Peter L. Loh

EXHIBIT A

DATE	TIME	DETAIL
11/16/10	1.50	Receive and review email from C. Libbey re potential domain purchase. Receive and review multiple emails from J. Eckels re portfolio transfer, programmer issues, related matters. Review ICANN policy on inter-registrar transfers.
11/17/10	0.50	Review trustee's Motion to Terminate ICANN Accreditation. Receive and review update email from J. Eckels re hearing on same. Receive and review multiple emails from D. Nelson re recent UDRP decisions.
11/18/10	0.75	Receive and review email from J. Eckels re Ondova de-accreditation, related matters. Receive and review multiple emails from D. Nelson re potential domain name disputes.
11/19/10	0.75	Receive and review email from P. Wall re NameMedia data. Receive and review multiple emails from J. Eckels re status of de-accreditation. Review Ondova letter to ICANN re de-accreditation.
11/22/10	1.50	Receive and review email from D. Nelson re domain dispute. Research files re domain. Internet research re trademark owner. Draft email to J. Harbin, J. Eckels re same.
11/24/10	3.50	Telephone conference with J. Eckels re portfolio transition, related matters. Receive and review email from D. Nelson re domain dispute. Begin review WIPO complaint re [REDACTED].com. Receive and review emails from P. Vogel, J. Eckels, T. Ponia re receivership. Review order appointing receiver. Review research materials re receivership, related matters.
11/28/10	0.25	Receive and review email from B. Golden re receivership requests, related matters.
11/29/10	6.25	Email to J. Harbin, J. Eckels re receivership requests, order appointing receiver, related matters. Research PACER docket re Ondova v. Netsphere litigation, Ondova bankruptcy. Review multiple motions and filings in Netsphere litigation. Telephone call to J. Harbin. Telephone call to B. Golden. Telephone conference with J. Eckels re receivership, scheduled portfolio transfer, Garrey lawsuit, related issues. Email to B. Golden re receivership documents. Email to J. Harbin, J. Eckels re Garrey lawsuit. Continued review documents and filings in Netsphere litigation. Begin research causes of action alleged in B. Garrey lawsuit.

11/30/10	6.75	Receive and review email from J. Harbin re VeriSign emergency motion, hearing on same. Telephone conference with J. Eckels re VeriSign emergency motion, hearing on same, related matters. Telephone conference with J. Eckels, J. Harbin re VeriSign emergency motion, hearing on same, related matters. Attendance at telephone hearing on VeriSign emergency motion. Telephone conference with J. Eckels re hearing on VeriSign motion, bulk transfer, related matters. Email to J. Eckels and J. Harbin re receivership, related matters. Continued review documents and filings in Netsphere litigation.
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Total: 21.75

Amount

Due: \$2,718.75

Thank you!

/s/

Joshua E. Cox

DATE	TIME	DETAIL
12/02/10	0.75	Receive and respond to multiple emails from J. Harbin, J. Eckels re objections to receivership order, pending domain disputes, related matters.
12/03/10	1.75	Telephone conference with J. Eckels re receivership, related matters. Telephone conference with J. Harbin re receivership, related matters. Email to J. Eckels re [REDACTED].com UDRP, related matters. Telephone conference with C. Libbey re domain purchase offer, receivership, related issues. Email to C. Libbey and receiver re same.
12/06/10	2.50	Receive and respond to email from T. Ponia re new domain dispute matters. Email to A. Salomon (Arent Fox) re domain dispute, receivership. Begin research objection to receivership. Email to J. Eckels re meeting.
12/07/10	1.75	Receive and review emails from J. Eckels re docket matters, related issues. Review Receiver's Motion to Clarify Receiver Order and Proposed Order. Telephone conference with J. Eckels re receivership, portfolio issues, related matters. Review Baron Emergency Motion to Vacate Receivership Order. Review Order granting Motion for Emergency Consideration.
12/08/10	2.75	Continue research potential grounds to object to receiver order. Begin draft Response to Receiver's Motion to Clarify. Multiple telephone conferences with J. Eckels re same. Draft lengthy email to J. Harbin re same, proposed course of action. Finalize draft Response to Receiver's Motion to Clarify, email to J. Eckels.
12/10/10	8.75	Multiple telephone conferences with J. Eckels re receivership, portfolio issues, related matters. Multiple telephone conferences with J. Harbin re receivership issues, portfolio, related matters. Telephone call to B. Golden. Receive and review emails from J. Harbin re subpoena, communications from Village Trust. Review subpoena received by J. Harbin. Research federal rules re subpoena purposes, compliance, related matters. Telephone conference with J. Harbin re subpoena compliance, related matters. Draft Rule 11 Agreement re subpoena compliance. Email Rule 11 Agreement to B. Golden, P. Loh. Review Receivership Order, email to J. Eckels re same. Receive email from J. Harbin re Fabulous.com agreement; research emails re same, forward email to J. Harbin re same. Finalize revisions to Response to Receiver's Motion to Clarify. Email J. Harbin, J. Eckels re same. Prepare Notice of Appearance. File Notice of Appearance, Response and Objection to Receiver's Motion to Clarify via ECF.

12/13/10	6.75	Receive and review email from Judge Ferguson courtroom deputy re hearing re-set, forward same to J. Harbin, J. Eckels. Review notice of order resetting hearing. Review Motion for Emergency Ruling on Motion to Stay Pending Appeal filed by Baron in Netsphere lawsuit. Review Proof of Service of Harbin Subpoena. Review Response to Motion to Vacate or Stay Receivership Pending Appeal filed by Ch. 11 Trustee in Netsphere lawsuit. Review lengthy exhibit in support filed by Ch. 11 Trustee. Telephone conference with T. Jackson re Motion to Clarify, upcoming hearing re same. Receive and review lengthy email from B. Golden re registration fees, related matters. Email to J. Harbin, T. Jackson re same. Begin draft Motion to Dissolve Receivership.
12/14/10	7.50	Review multiple orders entered in Netsphere lawsuit. Email to T. Jackson, J. Harbin re objecting to receivership, additional grounds, related matters. Multiple telephone conferences with J. Harbin re expiring names, portfolio registration fees, receivership, related matters. Multiple telephone conferences with T. Jackson re same. Review proposed letter to receiver attorney. Telephone conference with J. Eckels re November deletions, related matters. Email to receiver attorney re November deletions.
12/15/10	8.25	Receive and review email from B. Golden re tender of documents. Review Emergency Motion for Clarification filed by Receiver. Review Order granting same. Review Receiver's report re Baron interference, lengthy appendix in support of same. Telephone conference with T. Jackson re response to Golden emails, receivership, upcoming hearing, related matters. Continued review various pleadings in Netsphere litigation. Begin preparation for hearing on Receiver's Motion to Clarify, related matters.

Total: 40.75

Amount

Due: \$5,093.75

Thank you!

/s/

Joshua E. Cox

**WORK PERFORMED BY THE RECEIVER AND GARDERE ON BEHALF OF THE RECEIVER
FROM NOVEMBER 24, 2010 THROUGH NOVEMBER 30, 2010**

A. Working relating to the Receivership Assets.

1. Work relating to the Receivership Assets that are monetary funds.

a. Work relating to identifying the monetary funds.

- i. The Receiver and Gardere collected account information and account documents from individuals with information related to the “Receivership Parties,” “Receivership Assets,” and “Receivership Documents,” as those terms are defined in the Receiver Order. Specifically, the Receiver and Gardere requested, and in some instances obtained, financial information from Sid Chesnin, Martin Thomas, Gary Lyon, James Eckels, Joshua Cox, Jeff Baron, Jeff Harbin, Jeff Hall, Ray Urbanik, Dean Ferguson, Don Ham, and others.
- ii. Gardere initiated a review of the financial documents collected in order to identify monetary funds subject to the Receiver Order.
- iii. Gardere strategized on contacting institutions holding monetary funds subject to the Receiver Order, having those funds temporarily frozen, and making the Receiver able to access those funds.

b. Work relating to obtaining control over the monetary funds.

i. Work relating to obtaining control over the domestic monetary funds.

- 1) Gardere researched federal case law and statutes regarding the Receiver’s jurisdiction over Receivership Assets residing outside the Northern District of Texas. Gardere developed a strategy to comply with 28 U.S.C. § 754, which requires the Receiver, within ten days of entry of the Receiver Order, to file the Receiver Order and Original Petition in all districts in which Receivership Assets are believed to reside. Gardere worked to locate the Receivership Assets and Receivership Parties, including the creation of a chart comprised of Receivership Parties’ corporate addresses, registered agents, and applicable judicial district. Gardere identified fifteen judicial districts in which Receivership Assets and/or Receivership Parties are located. Gardere prepared filings of miscellaneous actions for all identified jurisdictions, with Receiver Order and Original Petition attached, for all judicial districts

where Receivership Parties and Receivership Assets are believed to be located.

- 2) Gardere corresponded with financial institutions holding Receiver Assets, served copies of the Receiver Order, and inquired into the proper procedure to take control of accounts.

ii. Work relating to obtaining control over the non-domestic monetary funds.

- 1) Gardere identified and researched legal issues regarding Receivership Assets located in the Cook Islands, and obtaining jurisdiction over such assets. Gardere researched federal case law and statutes for establishing jurisdiction over such Receivership Assets. Gardere researched the Receiver's jurisdiction and control over property outside the United States.
- 2) The Receiver and Gardere began formulating a strategy for consolidating foreign Receivership Parties into domestic Receivership Parties.

2. Work relating to the Receivership Assets that are non-monetary assets.

a. Work relating to identifying the non-monetary assets.

- i. There were well in excess of 200,000 domain names that qualify as Receivership Assets. The Receiver and Gardere worked successfully with VeriSign, Inc. to transfer those names from their old registrar, Ondova Limited Company (in Bankruptcy), to a new registrar, Fabulous.com.
- ii. The Receiver reviewed VeriSign's emergency motion to vacate and modify the Receiver Order. The Receiver communicated with the Trustee Daniel Sherman and his counsel Ray Urbanik, as well as Damon Nelson (Manager of Ondova Limited Company), regarding VeriSign's emergency motion to vacate and modify the Receiver Order. The Receiver communicated with VeriSign's counsel Eric Schnabel, Jessica Mikhailevich, and Robert Mallard regarding the same, as well as the transfer of the domain names to Fabulous.com.
- iii. The Receiver and Gardere prepared for and participated in the hearing on VeriSign's emergency motion to vacate and modify the Receiver Order. Gardere also reviewed and prepared proposed revisions to VeriSign's proposed order on its emergency motion to modify the Receiver Order. Gardere communicated with

VeriSign's counsel regarding the transfer of domain names and VeriSign's emergency motion to vacate and modify the Receiver Order. The Receiver and Gardere then worked with Fabulous.com to ensure that it would take direction from the Receiver concerning the domain names after their transfer.

b. Work relating to managing the non-monetary assets.

- i. Gardere formulated a strategy to manage privacy issues concerning ownership of the domain names.
- ii. Gardere formulated a strategy for reducing the domain name portfolio by not renewing certain money-losing domain names and thereby preserving Receivership Assets.
- iii. Gardere handled several operational issues concerning maintenance of the domain names.
- iv. Gardere identified and developed strategies for issues regarding alleged expirations of domain names and the release of domain names based on Uniform Domain-Name Dispute-Resolution Policy ("UDRP") claims.

B. Expenses Flowing Out.

1. **Work relating to payment of immediate debts.** Gardere identified immediate debts owed (and to whom) by the Receivership Parties, such as rent, and worked to pay such debts.
2. **Work relating to efforts to provide Mr. Baron with daily living expenses.** The Receiver and Gardere worked to ensure Mr. Baron had adequate funds from the receivership to pay for his daily living expenses.
3. **Work relating to management of and resolution of UDRP claims.**
 - a. Gardere assessed the impact of the Receiver Order on UDRP claims.
 - b. Gardere began developing a strategy for responding to and dealing with UDRP claims and pending trademark litigation.
4. **Work relating to management of pending lawsuits.**
 - a. Gardere began identifying pending litigation matters involving Receivership Parties and determining a going-forward litigation strategy, including stays in various matters.
 - b. Gardere contacted counsel for parties with pending claims to inform them of the Receiver Order's stay of such claims.

5. Work relating to Post-Receiver Professionals.

- a. The Receiver and Gardere began formulating a strategy for retaining or dismissing various employees, contractors, and professionals of Receivership Parties.
- b. The Receiver and Gardere began formulating a strategy for retaining an accountant as a hired professional to assist the Receiver.

C. Miscellaneous Work

a. Work relating to initial understanding of the Receiver Order.

- i. The Receiver and Gardere reviewed the Receiver Order and all motions relating to the appointment of the Receiver. Gardere began developing an overall strategy for compliance with the Receiver Order.
- ii. The Receiver corresponded with interested parties and their counsel (such as Martin Thomas, Gary Lyon, James Eckels, Joshua Cox, Jeffrey Baron, Jeff Harbin, Tine Faasili Ponia, Samantha Eisner, and several other individuals), as well as counsel for Trustee Ray Urbanik, regarding entry of the Receiver Order and implementation thereof.

- b. **Work relating to the Receiver's bond.** Gardere prepared the Receiver's Bond, acquired a surety for the bond, and posted the bond.

2. Work regarding clarifying additional ambiguities of the Receiver Order.

- a. Gardere began preparation of a motion to clarify the Receiver Order, in order to explicitly include Novo Point, LLC and Quantec, LLC (entities discussed at the hearing on VeriSign's emergency motion to modify the Receiver Order) in the Receiver Order's definition of Receivership Parties.
- b. Gardere began preparation of a motion to clarify the Receiver Order, in order to explicitly include additional entities controlled by Baron (such as Iguana Consulting, LLC, Javelina, LLC, Southpac Trust Limited, and Quasar Services, LLC) in the Receiver Order's definition of Receivership Parties. Gardere worked to identify entities which should be included in such motion.
- c. Gardere began preparation of a motion to clarify the Receiver Order, in order to explicitly exclude ID Genesis from the Receiver Order's definition of Receivership Parties.

3. Work related to the bankruptcy case.

- a. The Receiver and Gardere took steps to determine the Receiver's role going forward in the related bankruptcy case before Judge Stacey G. C. Jernigan, styled *In re Ondova Limited Company*, Case No. 09-34784-SGJ-11, In the United States Bankruptcy Court for the Northern District of Texas, Dallas Division.
- b. The Receiver and Gardere communicated with the Trustee, Daniel Sherman, and the Trustee's counsel, Ray Urbanik and Dennis Roossien of Munsch Hardt Kopf and Harr, P.C., to coordinate strategy for controlling Receivership Assets and Receivership Parties and to gain institutional knowledge regarding same from the Trustee.

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

Peter L. Loh

Texas Bar Card No. 24036982

GARDERE WYNNE SEWELL LLP

1601 Elm Street, Suite 3000

Dallas, Texas 75201

(214) 999.4667 (facsimile)

(214) 999.3000 (telephone)

bgolden@gardere.com

ploh@gardere.com

**ATTORNEYS FOR THE
RECEIVER, PETER S. VOGEL**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via the Court's ECF system on all counsel of record on December 30, 2010.

/s/ Peter L. Loh

Peter L. Loh

II. PRELIMINARY STATEMENT

In this First Receiver Fee Application, the Receiver asks this Court for approval and allowance of all (100%) fees earned and expenses incurred by the Receiver during the First Application Period. As shown by the record before this Court and the exhibits attached hereto, since his appointment, the Receiver has worked diligently on a daily basis to carry out the Receiver's duties under this Court's Order Appointing Receiver (the "Receiver Order") and other related orders. As shown on the record before this Court, and in the exhibits attached hereto, the Receiver believes that his work has resulted in identifiable, tangible, and material progress in carrying out the Receiver Order. Accordingly, the First Receiver Fee Application should be approved.

III. SUPPORT

In support of the First Receiver Fee Application, the Receiver has attached true and correct copies of the following:

- 1) The Receiver's Invoice for Legal Services Rendered during the First Application Period, detailing all fees requested for payment by the Receiver and including narratives of the work performed by the Receiver, is attached hereto as Exhibit A.
- 2) Receiver's Report of Work Performed in November 2010, detailing all the work performed by the Receiver and Receiver's counsel on behalf of the Receiver during the First Application Period, is attached hereto as Exhibit B.

IV. REQUEST

The Receiver respectfully requests that this Court enter an order (a) allowing and authorizing compensation to the Receiver in the amount of \$16,900.00, for the period from November 24, 2010, through November 30, 2010; (b) directing the Receiver, and his agents or representatives, to immediately pay the \$16,900.00 to the Receiver from any funds from the

Receiver Assets from which the Receiver has obtained access to date, including funds the Receiver obtained from any of the following accounts: (1) Woodforest National Bank, Account #1715301261, under Jeffrey Baron's name, (2) TD Ameritrade, Account #144-211236, under Mr. Baron's name, (3) BBVA Compass Bank, Account #2521421315, under Novo Point, LLC's name, and (4) BBVA Compass Bank, Account #2521421323, under Quantec, LLC's name.

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

Peter L. Loh

Texas Bar Card No. 24036982

GARDERE WYNNE SEWELL LLP

1601 Elm Street, Suite 3000

Dallas, Texas 75201

(214) 999.4667 (facsimile)

(214) 999.3000 (telephone)

bgolden@gardere.com

ploh@gardere.com

**ATTORNEYS FOR THE
RECEIVER, PETER S. VOGEL**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via the Court's ECF system on all counsel of record on December 30, 2010.

/s/ Peter L. Loh

Peter L. Loh

EXHIBIT A

GARDERE WYNNE SEWELL LLP
ATTORNEYS AND COUNSELORS
1601 ELM STREET SUITE 3000
DALLAS, TEXAS 75201-4761
(214) 999-3000
TAX I.D. 75-0730814

Peter S. Vogel, Receiver
1601 Elm Street, Suite 3000
Dallas, TX 75201

December 8, 2010
Invoice Number: 1019183
Due within 30 days of receipt

Client: 136589

REMITTANCE ADVICE

Re: Matter: 000001 Receivership

Total Fees

16,900.00

TOTAL CURRENT BILL

\$ 16,900.00

Please return this remittance page with your payment to:

Gardere Wynne Sewell LLP, P.O. Box 660256, Dallas, TX 75266-0256 Payment can also be made by WIRE to: Amegy Bank, 2501 North Harwood Street, Dallas, Texas 75201 - ABA routing number: 113011258, Account name: Gardere Wynne Sewell LLP, Account #: 53271439, For INTERNATIONAL WIRES: Amegy Bank, SWIFT SWBK US44, Important: Please reference a Client # and/or Invoice #

GARDERE WYNNE SEWELL LLP

ATTORNEYS AND COUNSELORS
1601 ELM STREET SUITE 3000
DALLAS, TEXAS 75201-4761
(214) 999-3000
TAX I.D. 75-0730814

Peter S. Vogel, Receiver
1601 Elm Street, Suite 3000
Dallas, TX 75201

December 8, 2010
Invoice Number: 1019183
Client: 136589
Due within 30 days of receipt

FOR LEGAL SERVICES RENDERED THROUGH 11/30/10
Matter no: 000001
Receivership

Date	Attorney/Description	Hours
11/24/10	P. Vogel Email to interested parties and related conversations with Ray Urbanik and Barry Golden.	2.50
11/25/10	P. Vogel Review emails and pleadings in lawsuits.	0.70
11/26/10	P. Vogel Conversation with Barry Golden, Trustee Corky Sherman, attorney for Trustee Ray Urbanik, and Damon Nelson, and related conversations with Barry Golden regarding ICANN and VeriSign claims.	1.60
11/27/10	P. Vogel Conversation with Barry Golden regarding issues with ICANN and VeriSign.	0.40
11/28/10	P. Vogel Attend conference call with counsel Barry Golden, Trustee's counsel Ray Urbanik, and VeriSign counsel Eric Schnabel, Jessica Mikhailevich, and Robert Mallard; conversation with Barry Golden, Trustee Corky Sherman, and Trustee's counsel Ray Urbanik regarding VeriSign and domain name transfer; review Barry Golden emails to parties with Receivership Assets; and various telephone conversations with Barry Golden.	3.30
11/29/10	P. Vogel Review emails and files in preparation of meetings with Receivership Parties, review materials from Jeff Harbin, conversations with Barry Golden, Peter Loh, Trustee Corky Sherman, and Ray Urbanik, conversation with James Eckels, Barry Golden, and Peter Loh regarding Ondova domain names.	8.90

Peter S. Vogel, Receiver
Client No. 136589
Invoice No. 1019183

Page 3
December 8, 2010

Date	Attorney/Description	Hours
11/30/10	P. Vogel Review VeriSign's Motion for Emergency Relief and related pleadings; conversations with Trustee Corky Sherman, attorney for Trustee Ray Urbanik, Damon Nelson, M'Lou Bell, Barry Golden, and Peter Loh; hearing with Judge Furgeson regarding VeriSign's Motions; review emails from various parties; conversation with John MacPete; and review files from Jeff Harbin.	8.60
Total for Hours & Services		\$16,900.00 26.00

Matter Invoice Summary:

Total Fees

\$16,900.00

Total this Matter

\$16,900.00

Peter S. Vogel, Receiver
Client No. 136589
Invoice No. 1019183

Page 4
December 8, 2010

Summary of Fees by Timekeeper for this Invoice

Timekeeper	Rank	Hours	Billed Per Hour	Total
Vogel, Peter S.	Partner	26.00	650.00	\$16,900.00
Total All Timekeepers for This Invoice		26.00		\$16,900.00

EXHIBIT B

**WORK PERFORMED BY THE RECEIVER AND GARDERE ON BEHALF OF THE RECEIVER
FROM NOVEMBER 24, 2010 THROUGH NOVEMBER 30, 2010**

A. Working relating to the Receivership Assets.

1. Work relating to the Receivership Assets that are monetary funds.

a. Work relating to identifying the monetary funds.

- i. The Receiver and Gardere collected account information and account documents from individuals with information related to the "Receivership Parties," "Receivership Assets," and "Receivership Documents," as those terms are defined in the Receiver Order. Specifically, the Receiver and Gardere requested, and in some instances obtained, financial information from Sid Chesnin, Martin Thomas, Gary Lyon, James Eckels, Joshua Cox, Jeff Baron, Jeff Harbin, Jeff Hall, Ray Urbanik, Dean Ferguson, Don Ham, and others.
- ii. Gardere initiated a review of the financial documents collected in order to identify monetary funds subject to the Receiver Order.
- iii. Gardere strategized on contacting institutions holding monetary funds subject to the Receiver Order, having those funds temporarily frozen, and making the Receiver able to access those funds.

b. Work relating to obtaining control over the monetary funds.

i. Work relating to obtaining control over the domestic monetary funds.

- 1) Gardere researched federal case law and statutes regarding the Receiver's jurisdiction over Receivership Assets residing outside the Northern District of Texas. Gardere developed a strategy to comply with 28 U.S.C. § 754, which requires the Receiver, within ten days of entry of the Receiver Order, to file the Receiver Order and Original Petition in all districts in which Receivership Assets are believed to reside. Gardere worked to locate the Receivership Assets and Receivership Parties, including the creation of a chart comprised of Receivership Parties' corporate addresses, registered agents, and applicable judicial district. Gardere identified fifteen judicial districts in which Receivership Assets and/or Receivership Parties are located. Gardere prepared filings of miscellaneous actions for all identified jurisdictions, with Receiver Order and Original Petition attached, for all judicial districts

where Receivership Parties and Receivership Assets are believed to be located.

- 2) Gardere corresponded with financial institutions holding Receiver Assets, served copies of the Receiver Order, and inquired into the proper procedure to take control of accounts.

ii. Work relating to obtaining control over the non-domestic monetary funds.

- 1) Gardere identified and researched legal issues regarding Receivership Assets located in the Cook Islands, and obtaining jurisdiction over such assets. Gardere researched federal case law and statutes for establishing jurisdiction over such Receivership Assets. Gardere researched the Receiver's jurisdiction and control over property outside the United States.
- 2) The Receiver and Gardere began formulating a strategy for consolidating foreign Receivership Parties into domestic Receivership Parties.

2. Work relating to the Receivership Assets that are non-monetary assets.

a. Work relating to identifying the non-monetary assets.

- i. There were well in excess of 200,000 domain names that qualify as Receivership Assets. The Receiver and Gardere worked successfully with VeriSign, Inc. to transfer those names from their old registrar, Ondova Limited Company (in Bankruptcy), to a new registrar, Fabulous.com.
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- iii. The Receiver and Gardere prepared for and participated in the hearing on VeriSign's emergency motion to vacate and modify the Receiver Order. Gardere also reviewed and prepared proposed revisions to VeriSign's proposed order on its emergency motion to modify the Receiver Order. Gardere communicated with

VeriSign's counsel regarding the transfer of domain names and VeriSign's emergency motion to vacate and modify the Receiver Order. The Receiver and Gardere then worked with Fabulous.com to ensure that it would take direction from the Receiver concerning the domain names after their transfer.

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Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

Peter L. Loh

Texas Bar Card No. 24036982

GARDERE WYNNE SEWELL LLP

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Dallas, Texas 75201

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(214) 999.3000 (telephone)

bgolden@gardere.com

ploh@gardere.com

**ATTORNEYS FOR THE
RECEIVER, PETER S. VOGEL**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via the Court's ECF system on all counsel of record on December 30, 2010.

/s/ Peter L. Loh

Peter L. Loh