

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright
Terrell McSweeney

In the Matter of)
)
)
Jerk, LLC, a limited liability company,)
also d/b/a JERK.COM, and) DOCKET NO. 9361
)
John Fanning,)
individually and as a member of)
Jerk, LLC.)
)
)

EXHIBITS TO COMPLAINT COUNSEL'S STATEMENT OF MATERIAL FACTS
AS TO WHICH THERE IS NO GENUINE ISSUE FOR TRIAL

CX0001

MARKED CONFIDENTIAL

DECLARATION OF [REDACTED]

1. My name is [REDACTED] I reside in [REDACTED]. The following statements are within my personal knowledge and, if called as a witness, I could and would competently testify thereto.

2. In May 2012, I attempted to obtain a membership with Jerk.com. I registered with the website and paid \$30 for a standard membership. My payment was processed under my MasterCard issued by Bank of America, and my electronic statement discloses that the payment was completed on May 30, 2012. A true and correct copy of that statement entry (with unrelated transactions redacted) is attached to this Declaration as [REDACTED] Attachment A. As part of my registration, I provided Jerk.com with my email address at Gmail. After I provided Jerk.com with my billing information, I was taken to a webpage that stated "Congratulations! You have registered a new account with standard membership. Please visit your email to retrieve your password." A true and correct copy of that webpage is attached to this Declaration as [REDACTED] Attachment B.

3. After paying \$30 to Jerk.com, I monitored my email account for an email message from Jerk.com. I checked all my email folders, including the spam folder. I never received an email message from the company and, thus, never received the promised password needed to access my Jerk.com membership.

4. I declare under penalty of perjury that the foregoing is true and correct. Executed on November 1st, 2012, in [REDACTED].

[REDACTED]
[REDACTED]

CX0002

MARKED CONFIDENTIAL

REDACTED IN ITS ENTIRETY

CX0003

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CX0005

MARKED CONFIDENTIAL

1 Express to cancel and refund my transaction with jerk.com. American Express
2 credited the \$1.99 to me, but I had to get a new credit card and change my billing
3 address, because I had provided that information to jerk.com.

4 8. I tried to use the "contact us" feature on the website, but the page did
5 not work. I filed complaints to Google, the Iowa Attorney General's Office, and
6 the Federal Trade Commission.

7 9. I have continued to monitor my profile on jerk.com, and new
8 information continues to be added, including photos and content from my LinkedIn
9 page.

10 10. I have been devastated by my experience with jerk.com. I am trying
11 to find a job and make a career change, and because my name and photo are on this
12 website, I don't know what to do.

13 11. I declare under penalty of perjury that the foregoing is true and
14 correct. Executed on 10/10/, 2012, in [REDACTED]

15 [REDACTED]
16 [REDACTED]
17 [REDACTED]

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CX0006

MARKED CONFIDENTIAL

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8. About a month later, I noticed that my photo had been taken down from the website, but my name ^{is} ~~was~~ still there. I am not sure if this is because I sent so many e-mails or not.

9. [REDACTED] [REDACTED]
[REDACTED]
[REDACTED] Why am I on jerk.com?

10. It is devastating that there is a website that is destroying people's good character. Some people can commit suicide because of what is on this website.

11. I declare under penalty of perjury that the foregoing is true and correct. Executed on 11/15/2012, 2012, in [REDACTED].

[REDACTED]
[REDACTED]

CX0007

MARKED CONFIDENTIAL

DECLARATION OF [REDACTED]

1. My name is [REDACTED]. I reside in [REDACTED]. The following statements are within my personal knowledge and, if called as a witness, I could and would competently testify thereto.
2. In November 2011, I was looking for employment opportunities. I conducted a Google search of my name to see what results would come up when prospective employers research me.
3. One of the Google search results showed that I was on a website called www.jerk.com. I clicked the link and I found a profile with my photo, name, address, and phone number. The profile also showed that I received one "jerk" vote. My information was put on the website without my permission or knowledge. I believe jerk.com obtained and used my photo from my Facebook page illegally without my permission. I felt frustrated, invaded and violated.
4. I tried to remove my profile by clicking on a page that said I could remove my name from the website if I paid jerk.com \$25.00. I did not want to pay this money, so instead I wrote jerk.com a letter. I sent the letter via certified mail to DMCA Complaints, Jerk LLC, [REDACTED], which was the address I found on their website. A true and correct copy of the letter I wrote to jerk.com is attached as [REDACTED] **Attachment A**. The letter was returned to me as "undeliverable" because the address was "unknown" and no forwarding address was available.
5. Because I was looking for work and had been unemployed for quite some time, I felt my profile on this website was affecting my employment chances. I finally decided to pay \$25.00 to remove my profile. To my shocking surprise, once I paid the money, jerk.com did not remove my name, photo, or profile from the website. My profile did not change. I felt cheated.

6. Running out of options, I turned to my attorney, [REDACTED], for advice. A true and correct copy of the email I sent to [REDACTED] is attached as [REDACTED] **Attachment B**.

7. Jerk.com made me feel powerless. Not only did they disregard my rights to my personal information, they also took my money. To this day, I still remember this horrific experience.

8. I declare under penalty of perjury that the foregoing is true and correct. Executed on 10/5/12, 2012, in [REDACTED]

[REDACTED]

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MARKED CONFIDENTIAL

REDACTED IN ITS ENTIRETY

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REDACTED IN ITS ENTIRETY

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MARKED CONFIDENTIAL

REDACTED IN ITS ENTIRETY

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DECLARATION OF [REDACTED]

1. My name is [REDACTED] I reside in [REDACTED] [REDACTED] The following statements are within my personal knowledge and, if called as a witness, I could and would competently testify thereto.

2. After doing a Google search on my name in 2012, I discovered a profile of me under jerk.com as one of the top five Google hits under my full name.

3. When I visited jerk.com, I found a photo of me and my husband that I uploaded to Facebook in November 2009. This picture clearly was taken from my Facebook page even though that page is only accessible to people I have accepted as friends. The jerk.com profile contained no other information on me other than this photo. I did not authorize anyone to post my information on jerk.com and do not know how my photo appeared on this website.

4. While viewing my profile on jerk.com, I clicked on a link labeled "Remove Me." This link took me to a page informing me that my profile could not be deleted.

5. I subsequently tried to contact the company through the "Contact Us" link on jerk.com to ask that my profile be removed. The Contact Us link took me to a form. After filling in my name, email address, and a message requesting that my profile be removed, I found that the message could not be sent, and I was asked to provide my credit card information. I did not provide my credit card number, but hoped that my request had been received.

6. After filling out the form provided, I heard nothing from the company, and went back to check jerk.com to see if my profile was still visible on the website. Even though I could access jerk.com, I could not access my profile because it showed up as blocked. I could not access that profile from my computer for some time. In a subsequent visit to the website using a different computer, however, I found that my profile had not been removed and was no longer blocked.

1 7. While on the website, I noticed that the company suggests that people pay to have
2 their profiles removed. This sounded like a scam, so I contacted the Minnesota Attorney
3 General's Office for help.

4 8. In February 2012, I asked the Minnesota Attorney General's Office for help to
5 have my profile removed from jerk.com. In a letter dated March 9, 2012, the Attorney General's
6 Office asked Jerk LLC to respond to my request that my profile be removed from jerk.com.
7 True and correct copies of this letter, as well as the Attorney General's letter to me
8 acknowledging my complaint and enclosing the Office's letter to Jerk LLC, are attached as
9 Attachments A and B, respectively, to this declaration.

10 9. In spite of being contacted several times by the Attorney General's Office, Jerk
11 LLC did not respond until April 20, 2012. True and correct copies of the Attorney General's
12 further requests for a response from Jerk LLC, and the Attorney General's letters enclosing
13 copies of these letters to me, are attached as Attachments C, D, E and F to this declaration.

14 10. In the April 20, 2012 letter, the attorney for Jerk LLC questioned the basis for my
15 removal request, and informed the Attorney General's Office that the company could find no
16 record of my profile on its website. A true and correct copy of this letter from Jerk LLC's
17 attorney, and the letter sent to me by the Attorney General's Office enclosing this response, are
18 attached to this declaration as Attachments G and H, respectively.

19 11. I informed the Attorney General's Office that, contrary to Jerk's assertion, my
20 profile was still being displayed on the jerk.com website. The Attorney General's Office again
21 wrote to Jerk LLC on my behalf and asked the company to remove my profile from the website.
22 True and correct copies of this letter, dated June 4, 2012, and the letter the Attorney General sent
23 to me enclosing this letter, are attached to this declaration as Exhibits I and J, respectively.

24 12. On August 10, 2012, the Attorney General's Office sent another letter to Jerk
25 LLC asking the company to respond to its June 4th letter. True and correct copies of this letter

1 and the letter the Attorney General's Office sent to me enclosing this letter, are attached to this
2 declaration as Exhibits K and L, respectively.

3 13. On October 24, 2012, the attorney for Jerk LLC wrote a response to the Attorney
4 General's Office, and refused to remove my profile from jerk.com. True and correct copies of
5 this letter of refusal, and the letter the Attorney General's Office sent to me enclosing this letter,
6 are attached to this declaration as Exhibits M and N, respectively.

7 14. On November 8, 2012, I attempted to contact Jerk LLC's attorney, Maria Speth,
8 by telephone. I was hoping to have a conversation with her regarding the removal of the
9 jerk.com profile that was created under my name. I left Ms. Speth a voicemail requesting that
10 she please contact me regarding my profile. I received a voicemail on November 12th from a
11 woman named Debbie who was from Ms. Speth's office. Debbie's voicemail stated that Ms.
12 Speth had asked her to return my call. Debbie stated that Ms. Speth was legal counsel for Jerk
13 LLC and that Ms. Speth cannot make any decision regarding the posting of my profile. And she
14 suggested that I look at the jerk.com website under the contact information. Therefore, I was not
15 allowed to speak with Ms. Speth.

16 15. In March 2013, I searched my name again on Google to see if the jerk.com result
17 was still there. I found that a new picture from my Facebook page was posted on my jerk.com
18 profile, and the previous picture was gone. This new picture shows me and my husband, mother,
19 and mother-in-law in September 2012. I don't know how jerk.com got this picture because my
20 Facebook page has always been private to friends only.

21 16. In April 2013, I did another Google search and did not see any hits for jerk.com
22 with my name. When I searched my name on jerk.com, my name did not pop up. The website
23 never went past the search bar page and just came up as a black background. I am not sure if
24 their search page is not working or if my name is no longer searchable.

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1 17. I have spent around 20 to 40 hours trying to remove my jerk.com profile. My
2 experience proves that Jerk LLC is not interested in taking steps to remove my profile. I am
3 worried about this because I am an author. If people search me and the search results show a
4 jerk.com entry, it really affects my business. This website is basically an invitation to others to
5 write about me. I am also irritated by the pictures because they ^{also} show my family members ~~and~~
6 ~~drag them into the website. And they charge money to get a profile removed. This is also~~
7 ~~copyright infringement.~~ They require ~~remove a profile, which is~~
8 copyright infringement.

8 I declare under penalty of perjury that the foregoing is true and correct.

9
10 Executed on June 13th, 2013, in [REDACTED]

11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 Clearly, Jerk.com admits there was a profile of me on
15 their website or they would not have "respectfully
16 declined..." my request for removal of the profile
17 in their attorney's response attached to this
18 declaration as Exhibit M. Previously, their
19 attorney stated they were "... unable to find
20 any such profile," in a response attached to
21 this declaration as Exhibit G.

22 I find this company to be untruthful, deceiving
23 and uncooperative. I believe they have
24 infringed on my 4th amendment right to privacy,
25 as well as Copyright infringement on photos they
have obtained from my Facebook profile.

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MARKED CONFIDENTIAL

REDACTED IN ITS ENTIRETY

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MARKED CONFIDENTIAL

1 DECLARATION OF [REDACTED]

2 1. My name is [REDACTED] I reside in [REDACTED]. The
3 following statements are within my personal knowledge and, if called as a witness,
4 I could and would competently testify thereto.

5 2. In September 2011, I performed a search of my first and last name on
6 Google out of curiosity. Far down the list of search results, I saw that my name
7 appeared on a website called jerk.com. The title of the search result was, “[REDACTED]
8 [REDACTED] is a Jerk.”

9 3. I clicked on the link, and it brought me to jerk.com’s website. There,
10 I found a photo of me with my ex-boyfriend, which I had posted only on Facebook
11 and set to “private.” I do not know how the photo got on this website. Under my
12 photo, there were buttons that allowed viewers to vote whether I was a jerk or not.
13 There were several votes labeling me as a jerk.

14 4. I was shocked and frustrated that I was on this website. I tried to edit
15 the profile, but I could not make any changes. I even tried to counterbalance the
16 negative votes against me by attempting to vote myself as “not a jerk,” but that
17 button would not work. Only the “jerk” button worked.

18 5. I desperately wanted to eliminate my name, photo, and profile from
19 jerk.com. I explored the website, searching for a way to remove my profile. At
20 several points, the website asked me to submit my credit card information in order
21 to make a change to my profile. I cannot remember if it was the “membership”
22 button, or the “customer service” button that triggered this payment prompt.
23 I recall that the message about changing my profile included a request for a credit
24 card payment through PayPal. I believed I could edit my profile if I paid jerk.com
25 the requested fee, so I set up a PayPal account in order to make a payment.

26 6. I paid between \$10.00 and \$25.00 to jerk.com through PayPal in an
27 attempt to remove my profile from the website. I cannot remember the specific
28 amount. Immediately after I made the payment, I found that there were no new

1 features available to me that would allow me to remove my profile. I kept trying,
2 and at one point, a pop-up window appeared that said, "Are you having fun yet?"
3 At that moment, I knew the website was a scam.

4 7. I went to the customer service page to file a complaint. The website
5 asked for another \$10.00 to \$25.00 to speak to customer service, but I did not pay.
6 I did a Google search to find the company's contact information, and found a
7 telephone number and e-mail address. The phone number was out of service, and I
8 received no response to my e-mail.

9 8. I filed a dispute with PayPal for the payments I made to jerk.com. I
10 cannot remember the exact total amount I paid to the website, but I estimate it to be
11 about \$25.00. I also filed complaints with the Better Business Bureau, the
12 Wisconsin Attorney General's Office, and a local attorney. To date, I have not
13 been able to remove my photo or profile from the website.

14 9. More recently, I discovered that someone called me an [REDACTED]
15 [REDACTED] on my jerk.com profile, and this profile now comes up as the first search
16 result when a Google search of my name is done. There is also a new hyperlink on
17 the profile that links to my LinkedIn profile.

18 10. Every time I look at the website I cry. It really interferes with my
19 social life, as I am a single mother and currently dating. It is slanderous and
20 horrifying, and I just want to find out who is posting this stuff and punish them.

21 11. I declare under penalty of perjury that the foregoing is true and
22 correct. Executed on October 19, 2012, in [REDACTED].

23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

Attachment #1

Sep 18 2012

to [REDACTED]

Hello [REDACTED]

I spent some time this evening reviewing my records and the website and was able to confirm a few things:

I did pay \$30.00 in February of this year to buy a standard subscription which was explained on the site to be the path to changing or removing the information that I had found about me. Before you take the steps to join, there is a click option to remove your information, which leads you to another page telling you you can't remove it. It leads to a notice that in part states "No one's profile is ever removed because jerk is based on a free open Internet searching database and it's not possible to remove things from the Internet" It also tells you that you must subscribe to create a dispute, and that subscription cost is \$30.00, which I did do. If you click the "Contact Us" option, it circles around to this message again, or you can opt to pay another \$25.00 to request a removal, which they have basically told you is impossible, and is discerned entirely at their discretion. What a contradiction! They also have a "Gold" subscription option which is under development and the fee is undisclosed. I tried to remove my pictures again today after I gave them my email address and telephone number and created and account allowing me to sign in. I could not access any of the posted information about me even though it linked me to it.

Ironically, the website is full of information about copyright infringement and they have an address you can write to: DMCA complaints, Jerk LLC [REDACTED], which I suspect is bogus as well.

As far as the fees, I was charged on my credit card, but due to the contact I made with my card company, they credited my account back, but I was not refunded by either Pay Pal, or Jerk.com. I do have documentation now of my dispute with Pay Pal (reference numbers, transaction #'s) to substantiate this. Cowards.

Thank you for your help. I hope you are able to bring some justice to this ugly and immature site. I saddens me so much when I deal with people everyday who are struggling to maintain a quality of life and life itself sometimes, to know that there are useless people out there that serve no meaningful purpose other than to act so ruthlessly, with no dignity or regard.

[REDACTED]

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MARKED CONFIDENTIAL

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DECLARATION OF [REDACTED]

1. My name is [REDACTED] I reside in [REDACTED]. The following statements are within my personal knowledge and, if called as a witness, I could and would competently testify thereto.

2. In early 2012, my younger brother, who is twelve years old, told me that he did a Google search of his name. He told me he discovered that there was a profile of him on the website jerk.com. He indicated that the profile came up as the second or third search result on Google.

3. I visited the website jerk.com and found a profile for my younger brother. The profile displayed a photo taken of my brother when he was eleven years old. The photo was taken from a Facebook account, and my brother told me that he never gave anyone permission to use it on jerk.com. The profile also revealed his name and his age.

4. My brother appeared to be very upset about the profile. He told me he tried to log in to jerk.com with every e-mail address he had, but he could not get in to the website to remove his name or photo. It appears that someone else created the profile, and he told me that he did not know who did it.

5. We wanted to contact jerk.com's customer service to try to remove my brother's profile, but it said on the website that we had to pay \$25.00 to talk to someone. We did not end up paying any money to jerk.com.

6. I did some research about jerk.com on the Internet and found that there were thousands of complaints against this company. I never got the chance to complain to anyone at jerk.com because there was no way to contact the company.

7. In February 2012, I filed a complaint with the Better Business Bureau in Delaware on behalf of my brother. The BBB told us that they contacted the company about our complaint, but no one from jerk.com ever got back in touch with them. No one from Jerk ever contacted me.

[REDACTED] - 1

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8. As of October 2012, my little brother's profile is still on jerk.com. There is one vote that claims he is "not a jerk," but the profile is still very upsetting to my brother and my family.

9. I've noticed that my brother has really been affected by his experience with jerk.com. For a twelve-year-old who is almost starting high school and who knows that his name is on that website, ^{it has damaged} it has just killed his self-esteem. The whole website is a horrible idea and I believe Jerk should at least allow kids to remove themselves from the website.

10. I declare under penalty of perjury that the foregoing is true and correct. Executed on October 26, 2012, in [REDACTED].

[REDACTED]
[REDACTED]

CX0028

MARKED CONFIDENTIAL

1 DECLARATION OF [REDACTED]

2 1. My name is [REDACTED]. I reside in [REDACTED]. The
3 following statements are within my personal knowledge and, if called as a witness, I could and
4 would competently testify thereto.

5 2. I learned about the jerk.com profile of me when an aunt told my mom about it.
6 When I did a Google search of my name, the profile came up as one of the top ten results with
7 the listing “[REDACTED] is a jerk.”

8 3. When I visited jerk.com, I found a profile of me that had a photograph of my
9 cousin and me that I posted to Facebook. I was devastated.

10 4. On this site, you could add jerks or post all kinds of other messages. The jerk
11 profile of me showed several votes that I was “a jerk” and some votes that I was “not a jerk.” I
12 think my aunt submitted the “not a jerk” votes because she felt compelled to put something
13 positive on the site. There were also some votes on my personal characteristics. A true and
14 correct copy of this profile is attached to this declaration as Attachment A.

15 5. When I first saw the profile, I thought someone I knew in the past might have
16 posted the photograph because I had uploaded it to Facebook years ago when I was still on
17 Facebook. Since my account had been closed for years, someone who knew me from before
18 probably took that Facebook picture and then posted it to jerk.com. Facebook is the only place
19 where I posted the photo, and I always used Facebook’s most restrictive privacy settings.

20 6. Jerk.com also required you to pay to have your profile removed. I paid the
21 amount required to contact the company’s customer support, but never received an email
22 response. Around the same time I contacted jerk.com, I also contacted the Better Business
23 Bureau (BBB) and Google about the website.

24 7. About two weeks after I contacted jerk.com, my profile was taken down, but the
25 Google search link to the profile remained. Instead of taking down the link, Google sent my

1 complaint to the Chilling Effects, which then publicly displayed my complaint on its website. A
2 true and correct copy of my complaint to Google posted on the Chilling Effects website is
3 attached as Attachment B.

4 8. I am a very private person with a unique name, so discovering a jerk.com profile
5 associated with it was traumatic and had a negative impact on my health. I knew that recruiters
6 and potential employers routinely use Google to check a person's online reputation, which
7 anyone could also do for personal reasons, and they would be exposed to this site's damaging
8 profile. My relationship with the Internet also has changed in that I avoid any search that could
9 bring this profile up, avoid social media, and I have taken steps to protect my reputation online.

10 9. I declare under penalty of perjury that the foregoing is true and correct.

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12 Executed on December 16, 2013, in [REDACTED].
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14 [REDACTED]
15 [REDACTED]

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DECLARATION OF [REDACTED]

1. My name is [REDACTED]. I reside in [REDACTED]. The following statements are within my personal knowledge and, if called as a witness, I could and would competently testify thereto:

1. When I was on sick leave in late 2010, I did a Google search of my name and found a Jerk.com link with my name on the ^{first} second page of the Google search results.

2. When I clicked on the Jerk.com link, I found a profile with my full name, the name of my high school, a picture from Facebook, and several ads next to the profile. The website allowed you to “buy” and “sell” any of my information, and the profile also contained horrible statements about me, including sexual ones. No one had voted on whether I was a jerk or not, but someone did vote that I was not appreciative. ~~My son later tried to help me by voting for good qualities, like that I was agreeable.~~

3. When I first saw the Jerk ^{low} profile, I thought that someone who knew me had put me there. I work in [REDACTED], so there are always people who are angry because they weren’t hired or because they were fired. I also thought that maybe some old boyfriend or people I had relationships with posted this information. When I told my sister about the profile, her first reaction was to ask whether I made anyone angry lately.

4. I also thought that maybe Jerk.com got my picture from Facebook. I am sure that the profile picture was from Facebook because Facebook is the only social network I’ve ever joined, and I have not posted that picture anywhere else. I have always set my Facebook page set to “Friends only.”

5. I immediately tried to remove my profile. I looked at Jerk’s “About Us” and “Remove Me” pages, but these pretty much said that Jerk would not do anything about the profile. It also said that you would have to pay \$25 to remove the profile. I also contacted Google and Facebook, but they told me they can’t do anything about a third party’s website and

to the Jerk.com Webmaster to remove the link.

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that I should go ask Jerk. For some time, I spent almost every hour of every weekend and weeknight emailing Google to remove the link to ^{the} my Jerk.com profile. *with under my name.*

6. I also un-joined all Facebook groups and deleted some of my Facebook entries because I thought doing that might remove the information from the Jerk profile. Eventually, some of my information, like my high school, was gone from Jerk. *The Site*

7. In May 2013, I did another Google search and the result for Jerk.com appeared on the fourth page. When I clicked on the link, I got a "404" message and did not actually see my profile. I do not know if Jerk ^{com} actually removed the profile, or if there was a connection issue.

8. [REDACTED]
[REDACTED]
[REDACTED]. I was also searching for jobs and felt that my presence on the website meant I was done. I know that HR people do Google searches, and I do not think any hiring person would have hired me if they saw ^{that} my profile. I was also worried that my overseas family may see the profile with all that negative information. As a result of Jerk, *the com website* I am turned off from the Internet and use it a lot less now.

10. I am also angry that websites like Jerk ^{com} do not get my consent before putting me on their website.

11. I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 30th, 2013, in [REDACTED].

[REDACTED]

[REDACTED]

CX0032

MARKED CONFIDENTIAL

1 DECLARATION OF [REDACTED]

2 1. My name is [REDACTED]. I reside in [REDACTED]. The following
3 statements are within my personal knowledge and, if called as a witness I could and would
4 competently testify thereto.

5 2. In May of 2011, due to the rise in popularity of social networking sites, I
6 performed a Google search of my son's nick name and last name. At this time my son was
7 thirteen years old. The first Google search result on the list was for my son's name on
8 www.Jerk.be.

9 3. I clicked on the Google search link, and it took me to a profile web page of my
10 son's name on www.Jerk.be. At the top of the site was my son's nick name and last name.
11 Below this was a photo of my son with a "jerk" ranking. The site also contained incorrect
12 information about my son's age, address and other personal information.

13 4. I was furious that my son's photo was on this site without my or my son's
14 permission.

15 5. I speculate one of my son's Facebook friends shared their address book with
16 www.Jerk.be. I believe the developers of www.Jerk.be then created profile web pages for each
17 of the address book entries, including my son.

18 6. While looking at www.Jerk.be, I found many profiles with pictures of young
19 children.

20 7. I clicked on the "Remove Me" tab. On this page, along with the support@jerk.be
21 email address, the following was displayed:

22 Just because you have a profile on Jerk does not mean you are a
23 jerk. Less than 5% of the millions of people on Jerk are jerks.
24 Jerk is where you find out if someone is a jerk, is not a jerk, or is a
25 saint in the eyes of others. No one's profile is ever removed
26 because Jerk is based on searching free open internet searching
27 databases and it is not possible to remove things from the Internet!
28 You can however use Jerk to manage your reputation and resolve
disputes With people who you are in conflict with. There are also
additional paid premium features that are available
<http://www.jerk.com/signin.php>

1 8. On May 8, 2011, I sent an email to support@jerk.be demanding the removal of
2 my son from the www.Jerk.be website. A true and correct copy of this email with my son's nick
3 name redacted is attached as [REDACTED] Attachment A.

4 9. On May 9, 2011, I returned to the www.Jerk.be website and my son's photo and
5 the incorrect personal information had been removed, but his name was still there. A true and
6 correct copy of the current Google search results and jerk profile with my son's nick name and
7 images redacted is attached as [REDACTED] Attachment B.

8 10. Based on my research of www.Jerk.be, I found that www.Jerk.be's first web
9 address was www.Jerk.com and then changed to www.Jerk.be. On or about November 2011,
10 www.Jerk.be changed back to www.Jerk.com.

11 11. On May 10, 2011, I filed a complaint against Jerk LLC with the Internet Crime
12 Complaint Center. A true and correct copy of my complaint, with my personal information
13 redacted, is attached as [REDACTED] Attachment C.

14 12. I declare under penalty of perjury that the foregoing is true and correct. Executed
15 on 04/15, 2012, in [REDACTED] [REDACTED]
16 [REDACTED]
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CX0033

MARKED CONFIDENTIAL

REDACTED IN ITS ENTIRETY

CX0034

MARKED CONFIDENTIAL

REDACTED IN ITS ENTIRETY

CX0035

MARKED CONFIDENTIAL

REDACTED IN ITS ENTIRETY

CX0036

MARKED CONFIDENTIAL

DECLARATION OF [REDACTED]

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1. My name is [REDACTED], and I declare as follows:
2. After doing a Google search on my name around winter 2011, I discovered a profile of me on Jerk.com as one of the top Google hits under my full name. I had never heard of Jerk.com before this search.
3. When I clicked on the link to Jerk.com from my Google search, I found a profile with my name and a photo of me with my husband and my two infant children. My children were about two and half years old and four months old in that picture. The profile had no other information about me or my family, other than some polls where people could vote if I was a “Jerk” or not, but no one had voted. Initially, I was worried that someone had created the Jerk.com profile against me. I was mortified and embarrassed that my name and the photo of me with my children were on this website.
4. I recognized that photo because it was the same one I had uploaded to my Facebook profile in the past. The photo used on the Jerk.com profile was clearly taken from my Facebook page even though my Facebook privacy settings were set so that my profile was only accessible to people I had accepted as friends. I have always been very careful about my Facebook privacy settings and made sure that only friends could see my profile. Not even friends of friends were allowed to see my profile. But Jerk.com is a public website where anyone could see the picture of me and my children. I did not authorize anyone to post my information on Jerk.com and do not know how my Facebook photo appeared on this website. I never saw or downloaded an application on Facebook relating to Jerk.
5. After discovering this Jerk.com profile, I immediately tried everything I could think of to remove my name and photo. I went through the Jerk.com website and tried several different ways to contact them, including calling the number they provided on the website, emailing them, and even writing them a letter. I was unable to reach anyone at Jerk.com about the profile, and they never responded to my numerous attempts to contact them.
6. While on searching Jerk.com for a way to remove my name and photo, I noticed

1 that the company suggests that people pay to have their profiles removed. This looked like some
2 sort of paid membership to access to profile information. They were asking for \$30 just to talk
3 to someone. I did some research online and found that many other people had similar complaints
4 to mine, and the people who had paid Jerk never actually got their information removed. My
5 husband and I agreed not to pay for a membership with Jerk.com because we felt that this
6 company was just trying to solicit people for money to get their names and photos off its website.

7 7. After my attempts to contact Jerk.com were unsuccessful, I sent also complaints
8 to various groups, including the Federal Trade Commission. I just wanted my children's photo
9 off that website.

10 8. Since first finding the Jerk.com profile, I have searched for it a few other times.
11 Several months ago, I searched my name on Google to see if the Jerk.com result was still there,
12 and it was. Then later this year, I did another Google search and did not see any hits for
13 Jerk.com with my name. I do not know if Jerk.com actually removed the profile about me, or if
14 it just did not show up in the Google search.

15 9. I have spent around 20 hours trying to remove the Jerk.com profile, but Jerk never
16 did anything to respond to my concerns or help me remove my profile. I am worried about this
17 because the Jerk.com profile could harm my ability to return to my job as a social worker if
18 people search me and the search results show a Jerk.com entry. But mostly I am worried about
19 this as a mother. I am very upset that my infant children's photograph was used on this website
20 without my consent or knowledge, and that Jerk.com would take no action to remove this photo
21 and profile—other than by soliciting money from my family to get a paid Jerk.com membership.
22

23 I declare under penalty of perjury that the foregoing is true and correct.

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25 Executed on August 8th, 2013, in [REDACTED].
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27 [REDACTED]
28 [REDACTED]

DECLARATION OF [REDACTED]

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CX0037

MARKED CONFIDENTIAL

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DECLARATION OF [REDACTED]

1. My name is [REDACTED]. I reside in [REDACTED]. The following statements are within my personal knowledge and, if called as a witness, I could and would competently testify thereto.

2. I have a Google alert set for my name, and one day, I received a Google alert with my name in a link to jerk.com. The search result was within the first few pages.

3. When I visited jerk.com, I saw a profile with my full name and a photograph of me as a child. I immediately thought that someone who didn't like me put me on there. The website bragged about success stories of posting and rating "jerks," and these stories were like ads encouraging people to post and rate more people. I was alarmed. I thought that someone was messing with me.

4. I then noticed that the photo of me was a Facebook profile picture. I started thinking that someone may have scraped the picture from Facebook. I have had a Facebook account since 2005 and always use the highest privacy settings possible. But since Facebook profile pictures are always public, there was no setting to hide that profile picture.

5. I felt that jerk.com was some sort of extortion scheme. The site was very cocky about how it had the right to use photos from the Internet. There was also no way to get in touch. You had to pay something to have them read your email. I contacted jerk.com's domain registrant, but it told me that I contacted the wrong party.

6. In February 2011, I contacted Facebook alerting them to the scraping of Facebook profile photos by jerk.com. A few days later, I received a message back informing me that Facebook could not control the actions of third parties and suggested that I contact jerk.com directly to request removal of my profile.

7. My experience with jerk.com was time consuming and nerve-wracking. I spent at least 30 or more hours researching how to request takedowns. It bothered me that the website

1 encouraged others to post stuff about me. It also scared me that someone could search my name
2 and see this result pop up, causing harm to my personal and professional reputation.

3 8. I declare under penalty of perjury that the foregoing is true and correct.

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5 Executed on 11/29/13, 2013, in [REDACTED].

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CX0038

MARKED CONFIDENTIAL

DECLARATION OF [REDACTED]

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2 1. My name is [REDACTED]. I am a contractor in [REDACTED]. The
3 following statements are within my personal knowledge and, if called as a witness, I could and
4 would competently testify thereto.

5 2. In February 2012, I was searching the Internet and typed my name into the
6 Google search engine. One of the top search results was a website called jerk.com. I clicked on
7 the link to jerk.com and discovered a profile containing my name and defamatory information.
8 I did not authorize jerk.com to create a profile about me. I believe a customer who allegedly
9 committed fraud against me and 15 other contractors posted the inaccurate information about me
10 on jerk.com to discourage our collection efforts.

11 3. I was concerned that potential clients who searched my name on Google
12 would see my jerk.com profile and I wanted the defamatory remarks removed. I recall there was
13 a link at the top of the website that said "Remove Me." I clicked on the "Remove Me" link and a
14 message appeared saying nothing on jerk.com could be removed.

15 4. I continued to search for ways to remove my jerk.com profile. I did not see any
16 way to contact the owners of the website. I read a statement on jerk.com that indicated I could
17 remove information from my profile by joining jerk.com. My impression from the membership
18 description on jerk.com was that I would receive a password that would enable me to delete
19 content on my profile. Although I did not want to support jerk.com and the website's
20 extortionate practices, I was concerned about my business reputation so I paid jerk.com \$30 for
21 an annual membership. After I paid the fee, nothing changed. I did not receive special access to
22 my jerk.com profile. I checked my email folders, including my spam folders, but did not receive
23 a password for my jerk.com membership. I checked my bank statement and confirmed that
24 jerk.com withdrew \$30 from my account. The membership was a complete waste.
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1 5. As of today, my profile is still visible on jerk.com and I have not received a
2 password to activate my jerk.com membership. I believe the inaccurate comments about my on
3 jerk.com have negatively affected my business.

4 6. I declare under penalty of perjury that the foregoing is true and correct.
5 Executed on October 17, 2012, in [REDACTED].

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CX0040

MARKED CONFIDENTIAL

1 DECLARATION OF [REDACTED]

2 1. My name is [REDACTED]. I reside in [REDACTED]. The
3 following statements are within my personal knowledge and, if called as a witness,
4 I could and would competently testify thereto.

5 2. In 2010, I discovered that someone created a profile of my fifteen-
6 year-old daughter on the website jerk.com. My daughter and I had been Googling
7 each other's names for fun when we found the profile. It was the first search result
8 under her name, and the website labeled her a "jerk."

9 3. We clicked on the profile and there was a photo of a woman with red
10 hair who was not my daughter. It was very scary and shocking to us both. Over
11 time, I monitored the profile and things got worse. Someone began posting real
12 photos of my daughter that were taken from Facebook and MySpace. Our home
13 address, information about my daughter's school, and our home phone number were
14 also added to the profile.

15 4. The worst part was the character assassination and comments on the
16 profile under my daughter's photos. [REDACTED]

17 [REDACTED]
18 [REDACTED]
19 5. I monitored the website and tried to delete the profile by clicking the
20 "Remove Me" button. When I clicked the button, a payment screen would appear
21 requesting a \$30.00 payment by credit card.

22 6. I was desperate to remove my daughter from the website, and I paid
23 the \$30.00 charge three times in an attempt to delete the profile, for a total of
24 \$90.00. Each time, nothing changed. My daughter's profile, photos, and negative
25 comments about her remained on jerk.com. When I clicked on "Remove Me," I
26 was brought to a page that said that jerk.com could not promise that any
27 information would be deleted from the website. There were no features available to
28 actually delete the profile. I decided to change my credit card number after it did not

1 work on the third try.

2 7. I wanted to make a complaint to the website, but it requested a \$25.00
3 charge for contacting customer service, which I did not want to do after paying
4 \$90.00 to no avail. There was no easy way to contact anyone associated with the
5 website. I filed complaints with Google and the Internet Crime Complaint Center in
6 2012.

7 8. To this day, my daughter's profile is still on jerk.com. It is absolutely
8 the cruelest form of bullying and it has devastated my daughter. [REDACTED]

9 [REDACTED]
10 [REDACTED]

11 9. I declare under penalty of perjury that the foregoing is true and correct.

12 Executed on Oct 11, 2012 2012, in [REDACTED].

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CX0041

NOTARIZED VERIFICATION OF A TRUE
SIGNATURE

OF

Richard H. Bell, II

Chairman

Of

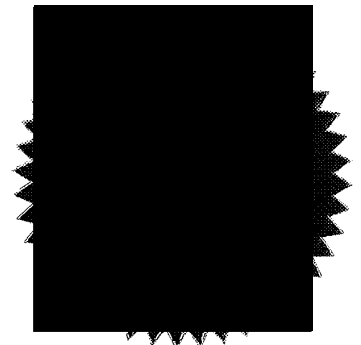
Harvard Business Services, Inc.

I, [REDACTED], a licensed Notary Public in the State of Delaware, appointed for a term extending to October 18, 2015, do hereby attest that the attached Declaration of Richard H. Bell, II bears a true and correct signature of Richard H. Bell, II, Chairman of Harvard Business Services, Inc.; affixed this 24th day of September, 2012.

State of Delaware)
) ss.
County of Sussex)

[REDACTED]

[REDACTED], Notary Public
My Commission Expires October 18, 2015.



FTC-JERK0001386
CX0041-001

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DECLARATION OF RICHARD H. BELL, II

1. My name is Richard H. Bell, II. I am founder and Chairman of Harvard Business Services, Inc. ("HBS"), a document filing service in Lewes, Delaware. The following statements are within my personal knowledge and, if called as a witness, I could and would competently testify thereto.

2. HBS is one of the leading providers of business formation services. Since 1981, HBS has helped more than 90,000 businesses incorporate in Delaware. HBS also serves as the registered agent for more than 34,000 companies. HBS does not participate in, and is not responsible for, the daily operations or business practices of the companies it incorporates.

3. One of HBS's clients is John Fanning and his company, NetCapital. Mr. Fanning has formed approximately 25 companies through HBS.

4. In January 2009, Mr. Fanning hired HBS to incorporate and serve as the registered agent for a company called Jerk LLC. On January 21, 2009, HBS officially incorporated Jerk LLC as a Delaware limited liability company.

5. HBS served as Jerk LLC's registered agent for approximately two and a half years. During that time, HBS received approximately 50-60 letters concerning consumer complaints about Jerk LLC, and 10-15 complaints by phone. I do not believe HBS has received that many complaints about any other company.

6. HBS's policy is to forward mail it receives for a company to the contact person we have on file for that company. Per our policy, HBS mailed the complaint letters to John Fanning and NetCapital at the current address (at the time) that we had on file for them. Some went to [REDACTED], [REDACTED]; and some went to [REDACTED], [REDACTED]. Some complaints were sent to Jerk LLC's lawyer Maria Crimi Speth, Esq.; Jaburg & Wilk, P.C.; 3200 N. Central Ave., Suite 2000; Phoenix, AZ 85012. I also

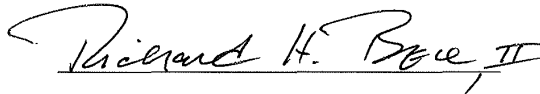


1 personally called Mr. Fanning on several occasions to express concern about the number of
2 complaints HBS was receiving about jerk.com.

3 7. When HBS received an inquiry, complaint, or other correspondence about Jerk
4 LLC, an HBS employee entered the information into the "notes" section attached to the Jerk
5 LLC computer record in the HBS client database. The notes contain the name of the HBS
6 employee who received the inquiry and a notation about the nature of the inquiry. A true and
7 correct copy of the notes regarding Jerk LLC that my employees entered into HBS's client
8 database are attached as Bell Attachment A.

9 8. On June 25, 2012, HBS sent Jerk LLC an "Intent to resign" letter as required by
10 the Delaware Secretary of State giving them 30 days notice of HBS' resignation. On July 30,
11 2012, HBS resigned as registered agent for Jerk LLC.

12 9. I declare under penalty of perjury that the foregoing is true and correct.
13 Executed on September 24, 2012, in Delaware.

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17 Richard H. Bell, II
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CX0042

MARKED CONFIDENTIAL

REDACTED IN ITS ENTIRETY

CX0043

MARKED CONFIDENTIAL

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DECLARATION OF [REDACTED]

1. My name is [REDACTED] I am a [REDACTED]

I have worked in law enforcement since 1999. I am currently serving as a school resource officer responsible for the [REDACTED] School District in [REDACTED]. The following statements are within my personal knowledge and, if called as a witness, I could and would competently testify thereto.

2. In April 2012, I was serving as the school resource officer for the [REDACTED]

[REDACTED] in [REDACTED]. On April 24, 2012, a staff member at [REDACTED] notified me that a 13-year old student informed school officials that someone had posted her photo on a website called jerk.com. School officials told me they became aware of the website because the student was being teasing about her jerk.com profile in the school lunchroom.

3. On April 24, 2012, I interviewed the student on the [REDACTED] campus. She told me

that a friend googled the student's name and found information about her on jerk.com. I later visited the website jerk.com and viewed content on the website about the student. I saw the student's profile, which included her first name, last name, and a photo of her face. The profile also included comments that made fun of the student, including that [REDACTED] and that she was a [REDACTED]. The student was very upset about the information posted on jerk.com. I consulted with the student's father who told me he wanted his child's photo removed from jerk.com.

4. The student told me that she did not authorize jerk.com to post her photo on the

website. The student also told me that the photo of her on jerk.com may have come from a friend's facebook page.

5. I reviewed the website jerk.com and found a page indicating that the website is

operated by Jerk, LLC. On or around April 26, 2012, I sent an email to Support@jerk.com and

1 mailed a letter to Jerk LLC at [REDACTED], instructing the
2 company to remove the student's profile. I could not find a phone number for Jerk LLC.

3 6. I did not receive a response from Jerk LLC to my email or letter. On April 30,
4 2012, I viewed the website jerk.com and the student's profile was still present on the website.

5 7. I wrote an Incident Detail Report about the student whose profile appeared on
6 jerk.com and my efforts to have her profile removed. A true and correct copy of my report, with
7 the student's name and personal information about other witnesses redacted, is attached to this
8 declaration as [REDACTED] Attachment A.

9 8. As part of my duties as the school resource officer, I see that cyber-bullying is a
10 serious problem among children and can be very traumatic for the victim. Children are teased in
11 school and often feel helpless to have the online information removed.

12 9. I declare under penalty of perjury that the foregoing is true and correct.

13 Executed on October 2nd, 2012, in [REDACTED]

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[REDACTED]
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MARKED CONFIDENTIAL

REDACTED IN ITS ENTIRETY

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DECLARATION OF [REDACTED]

1. My name is [REDACTED]. The following statements are within my personal knowledge.

2. In 2011, I wrote an article for Huffington Post about Jerk.com. I conducted extensive research for the article, including online searches. During my research, I found references to Jerk.com on a public website called NetCapital.com. The website stated that NetCapital is a venture capital company founded by John Fanning and contained information for potential investors to download. I downloaded a file posted on NetCapital.com that discussed Jerk.com and other business ventures associated with NetCapital. A true and correct copy of the document I downloaded from NetCapital.com in 2011 is attached as [REDACTED] **Attachment A**.

9. I declare under penalty of perjury that the foregoing is true and correct.

Executed on 5/19, 2014.

[REDACTED]

CX0046

NetCapital Ventures Fund One - \$100 million

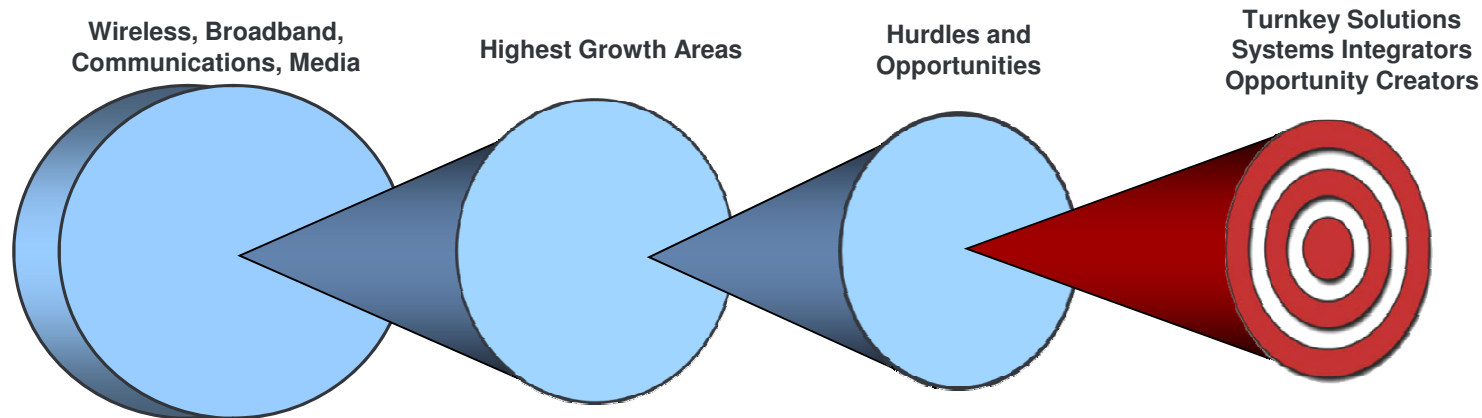
[REDACTED]

NetCapital: Investment Vision

At The Leading Edge of Innovation in Wireless, Broadband, Communications and Media

NetCapital.com LLC (“NetCapital”) is a private company targeting the substantial growth opportunities in wireless, broadband, media and communications. NetCapital operates by making significant investments in companies that are, or have the strong potential to commercialize novel or potentially market-dominating innovations in those areas.

We start our selection process by assessing what we believe to be the future direction of communication technologies and patterns of innovation and consumer preference in the US and Globally, we then hone in on the sub segments we believe to be highest growth areas. We next determine the hurdles and opportunities in those segments and seek companies that provide solutions to the hurdles, access unmet opportunities, or unlock unforeseen potential.



We will pursue investments globally in various types of companies that provide complete turnkey solutions to advancing technology. We will pursue software and middleware solutions and systems integrators in areas like WiMax, 4G, Nanotechnology, Media Convergence, Wireless Media, Entertainment, RFID, Wireless Networking, Data Streaming and Optimization, SmartGrid, and leverage our unique ability to partner technology to create and commercialize total solutions.

2

NetCapital: Investment Vision

Leading the Mobile and Wireless Communication Revolution

In 1999 We Launched the
Definitive Internet Company

In 2009 We Launch the Definitive Wireless,
Mobile, Communications and Media Company



NETCAPITAL

The mobile, wireless, and broadband markets today are reminiscent of the internet market in the late 1990s; then, as now, the fundamental protocols and business segments were well developed and the opportunity lay in innovative use of the nascent network. Thus there is an enormous near-term opportunity in optimizing and taking advantage of this network, and NetCapital seeks investments in companies we believe can do that.

As [REDACTED] pointed out in *The Big Switch*, John Fanning's *Napster* was the first "Web 2.0" company. Mr. Fanning and NetCapital build on this pedigree of innovation and prescient insight to invest in and help build the companies that will be instrumental in maximizing the potential of existing communications and media structures, and those that help shape the future of those markets.

**Near-Term
Potential**

**Internet Market
Late 1990s**

=

**Mobile / Wireless / Media
Markets Today**

NetCapital: Investment Approach

Longer Term: Building Market-Dominant Entities

NetCapital's goal is to own the No. 1 player in each of the largest broadband media and entertainment market segments. NetCapital has several partner companies already in leadership positions and a team of professionals that have created market-leading companies. NetCapital was a first mover in the broadband media and entertainment space, and has developed several proprietary technologies to create efficiencies in media networks. This early success has continued to beget more success, generating access to some of the best investment ideas available on the Internet. These types of opportunities are again emerging as the wireless space, mobile devices, and broadband capabilities radically evolve.

While our near term opportunity focuses on taking advantage of established networks and protocols, our *longer-term opportunity* will center around companies that can optimize networks or advance innovations that radically alter network efficiency, availability, or capability. As we develop companies with these types of technologies, we will leverage our unique knowledge of how communication will be enhanced to develop complementary companies that can readily take advantage of these innovations once deployed.



NetCapital: Investment Summary

Four Key Areas of Focus:

Media, Communication, Wireless, Broadband

- Our investments will be made in technologies at the cutting edge of mobile, wireless, broadband, and communication. The technologies we seek can consist of software or middleware, applications that foster the communication of or expand the efficiency of hardware and / or networks, and technologies that create better integrated or better empowered communication. We will assess opportunities across global markets.
- We will invest in companies poised to make the strongest, most rapid use of the existing wireless and broadband networks in the near term and those that radically reshape those networks in the long term.
- We will also seek to capitalize on the media, entertainment, and social trends this technology enables in both the short and long term, paying special focus on emerging consumer trends and looking for the platforms and asdfas that will become an integral part of user lifestyle.
- Target companies in key segments of this space including infrastructure service providers, vertical market makers, horizontal market makers, and customer aggregators and help them rapidly achieve their market potential.
- We aim for investments synergistic with our portfolio. We seek companies with the potential to gain the number one market share in its respective market and that has leverage-able technologies or insights that accrue benefits to the rest of the portfolio. Ideal targets should have commercializable innovations that play to the core strengths of our fund managers to help market, distribute, and deploy these technologies through partnerships with dominant

NetCapital: Investment Vision

Staggering Untapped Opportunity

As broadband and mobile technology enable device users to move up the curve from “available” to “always on” to “always capable”, and as devices connect not only to the internet through ultra-efficient and ultra-pervasive connections, but also to networks such as the power grid, and embedded networking devices, their usage will continue to proliferate rapidly. Devices will increasingly be equipped to perform many roles such as printing, reading voice recorded bar codes, performing mobile augmented reality, and ubiquitous point of service (uPOS). Add to this an emerging global middle class that is rapidly consuming netbooks and forsaking land lines for mobile devices, and the potential in the segments we target - mobile, broadband, communication and media - is truly enormous by any measure.

The consumer market today is dominated by massive end-to-end vendors, but as we recently passed the 1-year anniversary of the App Store opening, and it's 1.5 billionth download, it is clear that in this market total control is eroding, opening up the way for many players. We believe this is emblematic of the trend not just for mobile user applications, but a wide range of solutions-based innovations across hardware and networks. NetCapital is positioned to exploit this opportunity, targeting innovative businesses and paradigm-shifting opportunities.

We're In the Tip of the Iceberg on Mobility

John Chen, CEO, Sybase

NetCapital: Investment Approach

Leveraging Our Network to Slingshot Successes

Targeting the established benefits of a roll-up, NetCapital is building a strategy around quasi-independent companies with each portfolio company seeking success independently while being stakeholders in the success of the whole. Having experience in audio and video distribution, social networking, online payments, and home networking, the next step is to leverage these experiences in the mobile space. NetCapital is creating synergies among companies in its partner network by facilitating partner introductions, the sharing of best practices, and strategic partnerships. Moreover, NetCapital leverages its own extensive experience, its network of business relationships as well as its internal pool of resources to assist companies in rapidly maximizing their market potential. NetCapital targets various segments in the broadband media and entertainment markets, which includes infrastructure service providers, vertical market makers, horizontal market makers, and customer aggregators. The Company's goal is for its partner companies to achieve number one market share position in each of their respective market segments, thus giving NetCapital tremendous influence in every important broadband media and entertainment market



Our People + Our Network = Our Edge

Our Difference: Entrepreneur / Managers

Our management team is composed of *highly seasoned entrepreneurs*. We've been through the company building process numerous times, starting groundbreaking entities, launching innovative ideas, commercializing revolutionary technology. We can guide entrepreneurial companies through the process from initial funding through successful exit. We also have plenty of experience from the venture-backer side, but it is our incredibly vast wealth of entrepreneurial experiences across all forms of media and communications technology that give us an edge.

Not Just Investors, Team Members

We work closely with management teams from due diligence, through initial investment, and beyond. Partners continue to work with portfolio companies, and at our weekly meetings we review opportunities for partners to leverage their collective experiences and networks to help portfolio companies. We are active participants in the accountability of management and governance of our portfolio and client companies. We maintain frequent contact with the CEOs, senior Partners of the management team, outside board partners and co-investors of our portfolio and client companies.

Team Players, Team Creators

We help portfolio companies source the best personnel assets for their companies and assist in the creation of a management team appropriate for a particular stage in a company's growth. We leverage our network of executive search firms, entrepreneurs, other portfolio companies and venture capital firms, as well as service providers such as investment banking, legal and accounting firms to help find the appropriate candidates to replace or augment the management teams of portfolio companies.

Tapping Value in Our Partnership

NetCapital is dedicated to building the most powerful franchises within their partner companies by offering strategic guidance, operational support, executive recruiting, IT support, financial acumen, and business development expertise across our network of companies. We believe that being a member of the NetCapital community can substantially increase a company's competitive position.

Our People + Our Network = Our Edge

Why Our Relationships Make the Difference

Building a great company is more than Raising Money, and it takes a lot more than a Great Idea - that's why NetCapital's Relationships give us a decided advantage over other investors. *We have the know-how, the chops, and the contacts it takes to make a great idea a reality and a great technology a commercial success.*

Finding Crucial Technology Partners

We have a strong network of senior executives in both public and private companies in industries such as media (digital, print, television and radio), cable and telecommunications, technology hardware and software, financial services, legal services, aerospace and defense, among others. We actively make introductions for our portfolio companies and assist in arranging meeting with senior executives at the potential customer or strategic partner/channel partner. We also regularly meet with these senior executives to help us better understand the market opportunities and the competitive landscape, which in turns helps us to provide better advice to our portfolio companies.

Shaping a Model and Securing Capital

We develop business models and strategies with our portfolio companies to distribute, market, sell and license products, solutions or applications within the global marketplace. We bring our strategic focus to additional financing as well. We assist management teams with developing reasonable revenue, partnership and operating milestones that they can accomplish with existing capital. We work with the management team to develop a financing strategy that includes the timing of the next financing, and we tap into our financing pipelines to secure the right structure of funding to move forward, and we our vast network in the financial community to assemble the appropriate team of financiers for the venture.

Optimizing Exit Strategies

Given our collective experience in providing strategic and transactional advice at leading investment banks, we help counsel the CEOs of our portfolio companies on optimizing the company for a successful exit, whether by acquisition or through an initial public offering. Often, this includes helping to accelerate the portfolio company's growth through acquisitions or mergers of complementary companies. We work closely with the management team and board to identify potential acquisition and merger candidates to extend the portfolio company into new geographic and business markets, and we provide sound advice to help execute on such acquisitions. At the appropriate time, we help the management team identify and work with potential acquirers or, if appropriate, pursue an initial public offering.

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NetCapital: The Relationship Advantage

Venture Life Cycle



Top Shelf Deal Flow

Being entrepreneurs ourselves, we know the people starting companies, we know where to find them - and what they need. We keep our finger on the pulse of the innovation marketplace and our personal relationships as well as our insights give us access to the most promising deals anywhere. We've created and been around game-changing ideas, so we know it when we see it.

Technology Partnering

We can leverage the technologies of our partner companies to give each of our companies the proprietary edge that the other companies possess. This gives portfolio companies access to the best innovations without the hurdles that a competitor might face.

Distribution Partners

Our network can help new technologies or content be accepted, established, validated, and distributed through our connections at the top media, communications, and entertainment companies in America - like Blockbuster, Fox, ESPN, Apple, Yahoo, among many others.

Equity Partners

When one of our portfolio companies has to make funding decisions, we know what it's like because we've been there ourselves. We can tap into a vast array of funding sources from the VC community, our own funds, private investors, and leading corporations. We look for creative ways to approach funding for the best deals and most constructive partnerships

Acquisition / IPO

Our relationships give us a wealth of exit strategy options. We have extensive lines into companies like Microsoft, Google, AT&T, IBM, Dell, Sprint. We've sold our many of the companies we've started, and we've taken others to IPO. Our network assures options when it comes to executing a successful and lucrative exit.

NetCapital: Extraordinary Track Record

Experts at: **Creating Innovation, Commercializing Technology, Growing Companies, and Achieving Success**

- Our Partners have over 100 years aggregate experience Founding, Building, and Guiding companies to Success.
- Our partners have started dozens of companies, and been instrumental in building many more from infancy to exit.
- We've taken our own companies through hundreds of rounds of financing for several hundreds of million dollars - soon to be over a billion dollars
- We been responsible for allocating investment portfolios of over \$2 billion.
- We've been consultants responsible for implementing high growth strategies

HANDS ON, COLLABORATIVE TEAM

- Our partners have been CEOs, CFOs, Company Presidents, Heads of Business Development, CTOs, COOs, Managing Directors, Analysts, and more. We have extensive experience on both sides of the venture business.
- Partners in the truest sense. We've built companies ourselves; now we're using that experience to work with the management teams of our portfolio companies to build a stable of great enterprises.
- Entrepreneurial DNA. We've done it, and we still love to do it. We will be passionate about our investments, putting a personal stake and stamp on our ventures.

11

A Powerful Collaboration of Technology and Media Innovators

We harnesses the expertise, vision, and leadership of people behind breakthrough achievements in
broadband, wireless, media, and communication technologies.



We've created technology that changed the
world:



We've built
numerous
startups
and led
through the
funding
process, to
acquisition
or IPO

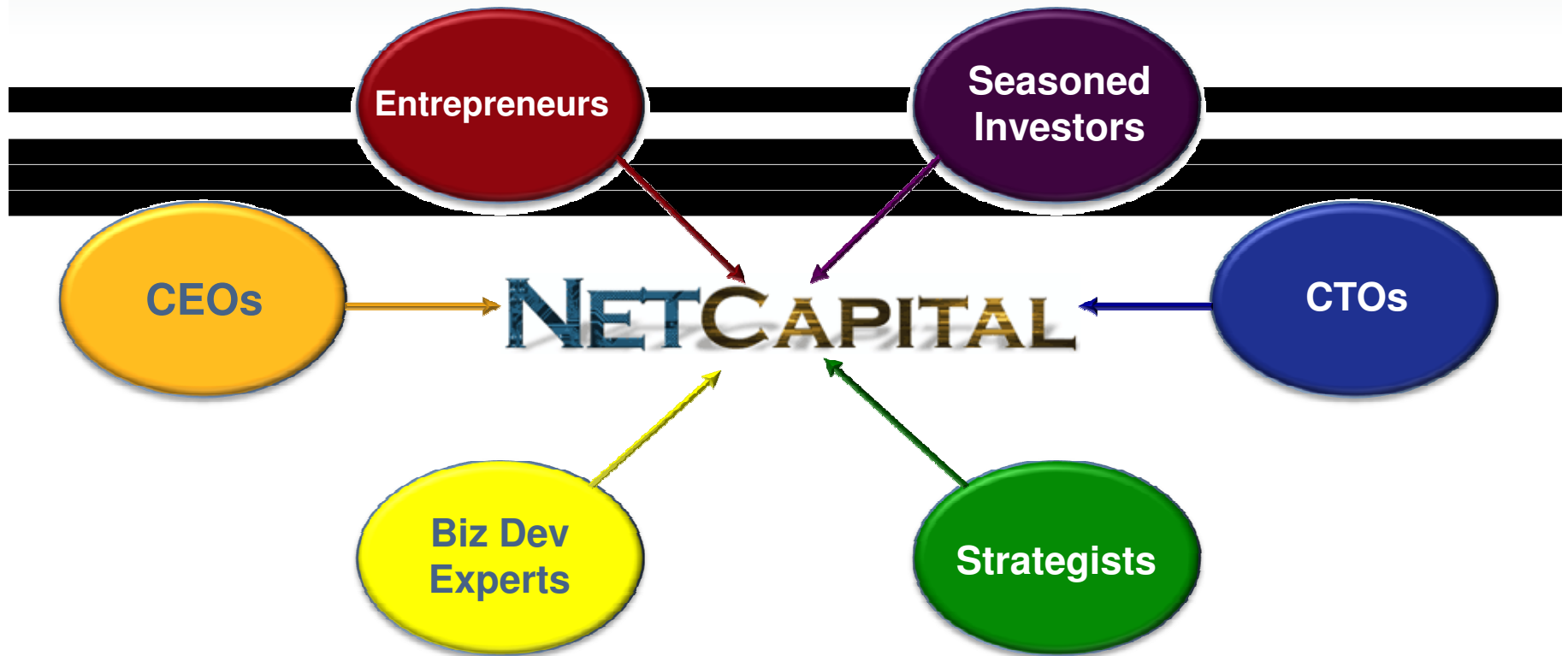
FutureXMedia



We've guided companies that shape our
culture:



**A Unique Group of Experts forms
An Unparalleled Management Team**



Our Entrepreneurial DNA

Venture	Partner Role	Result
Individual Inc	Co-Founder	\$35 million IPO; \$84 million Merger with Desktop Data; Becomes NewsEdge, acquired by Thomson.
eLogic	VP BD, Strategy at startup stage	\$79 million acquisition, June 2000
Valicert	Co-Founder	\$40 million IPO
Vasamed	Founder	\$34.8 million IPO
Napster	Founder	\$121 million acquisition by Best Buy
CTVN	Co-Founder	\$36 million acquisition by ZDTV; \$200 million acquisition by Vulcan Ventures as TechTV; merged with G4 / Comcast
FutureXmedia	Co-Founder	\$17 million acquisitions by Korea Game Company
MainFrame Ent.	Co-Founder	\$30 million (Cdn) IPO; Acquisition of controlling stake by IDT at \$20 million valuation
PermissionTV	Co-Founder	\$20 million in VC funding to date
Rupture	Founder	\$30 million acquisition by Electronic Arts
RGB Technology	Founder	Privately owned.
FineTune	Co-Founder	Privately owned.

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Our Investment Credentials

Venture Capital Experience



Investment Banking, Valuation, Portfolio Management, Risk Analysis



Strategy, Consulting, and Legal



Investment Track Record

Investment name	Date	Investment \$	VALUE REALIZED	IRR%	MULTIPLE OF CAPITAL
Etec Systems	1990-1999	\$80 m LBO	\$1.7 bn		

**Some people make investments,
We Make Investments Work.**

Our collection of skills helps portfolio companies create value, achieve their potential, and *become great investments*

NetCapital: Our Partners

Marketing and Commercialization Experts

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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[Redacted]

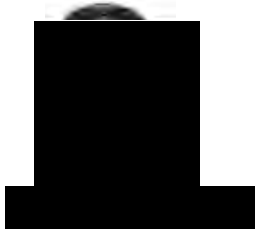
NetCapital: Our Partners

Technology Experts



John Fanning

John, Founding Chairman and CEO of Napster, has been a pioneer in Internet Technologies for over 15 years. In addition to his work with Napster on the distributed aggregation of content, he has introduced such net-related innovations as client-server game play, audio chat, and auto-upgrading/authentication. Since 1994, he has founded numerous successful Internet ventures, including Napster, NetGames, NetMovies, and NetCapital. John attended Boston College, and has a background in Finance from his work at Fidelity Investments in Boston, MA.



NetCapital: Our Partners

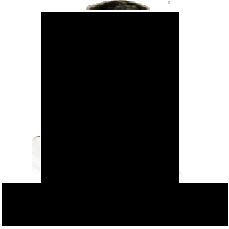
Special General Counsel

[REDACTED]

NetCapital: Our Partners

Finance


[Redacted text block]


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NetCapital: Organizational Chart

[Redacted] CEO

[Redacted] CFO

[Redacted]

John Fanning,
CTO

[Redacted] CMO

[Redacted] COO

[Redacted]

[Redacted] Advisor

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

= Voting Partner

= Non-voting
Partner

NetCapital: Deal Filters

- **Markets:** Select areas within Wireless, Broadband, Media and Communication, Globally. Market segments with high growth and large potential user-base.

- **Competitors:** Preferably first-mover or best-in-class; differentiated.

- **Management:** We want passionate management teams with a desire to build a world-class organization around novel technologies and ideas. We can bring the experience, contacts, and strategies, so we seek managements highly amenable to a team approach.

- **Technology:** Solutions-based technologies. Optimization applications that enhance existing data infrastructure or increase the efficiency or power of networks, devices, and communications systems. Enhancements that shift the media paradigm especially with respect to large scale consumer patterns.

Special Consideration for technologies close to commercialization that leverage partner core strengths in driving marketability and take advantage of our network of relationships to drive adoption. Companies that bring synergies to the portfolio strongly desired.

NetCapital: Fund Profile

- 12-15 core companies
- \$2-3 Million Avg. Series A funding
- 20% - 80% ownership.
- Participate in Follow On Rounds
- Focus on commercialize-able / partner-able technologies.
- 1-2 Board seats every deal
- Intimately involved in Strategic Planning of company.
- Premier Syndicate Partners
- In unsuccessful deals, focus on leveraging assets to add value to other portfolio companies.

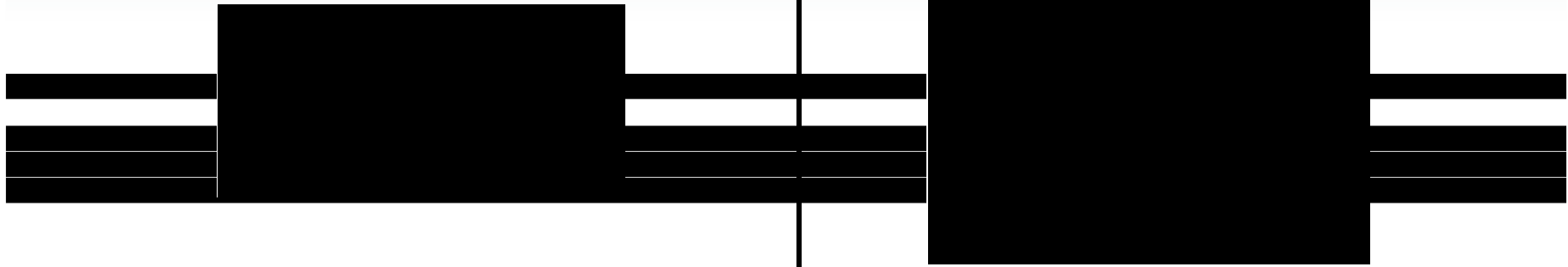
NetCapital: Fund Update

- Hard circled \$5 Million from General Partner
- Soft circled \$100 Million
- Seeking International Investor Base

Preferred Co-investment Syndicate Partners example

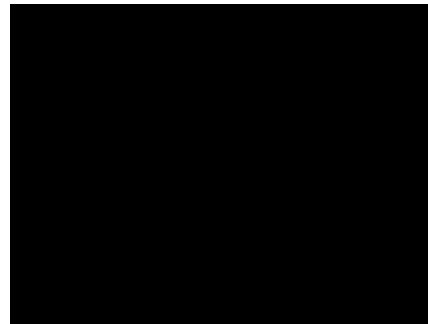
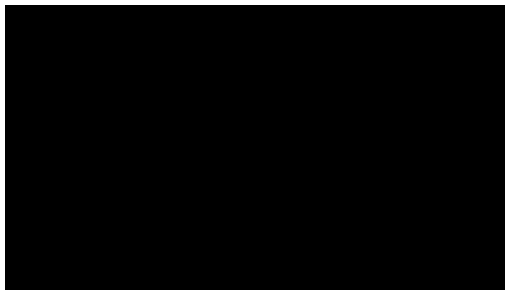
Long Term Relationships

Strong Brand Partner



Strong Domain Expertise

Deep Pockets



NetCapital: Current Portfolio Companies

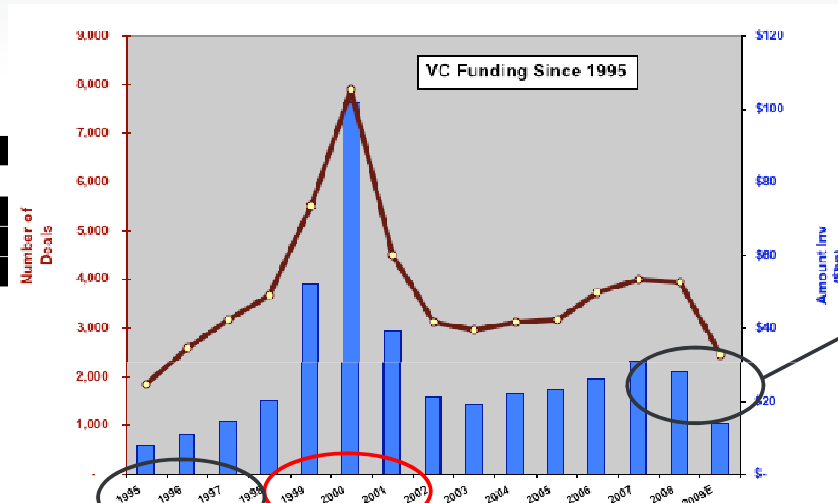
Current slate of companies based on innovative technologies, and enormous unrealized potential in the Wireless 2.0 paradigm



Why Now

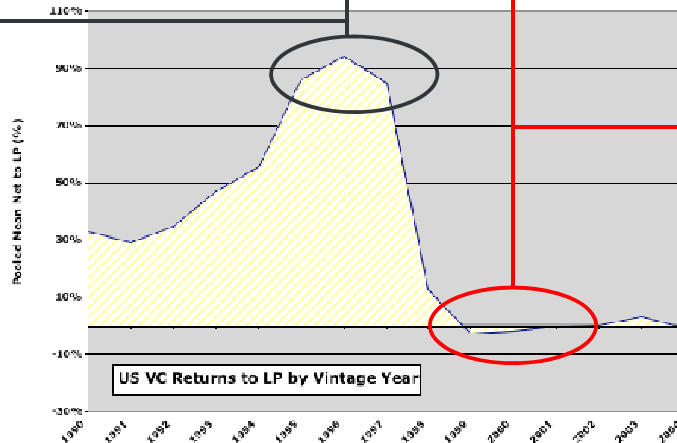


NetCapital: Timing is Ripe to Invest



Falling Fund Flows = Great Entry Point

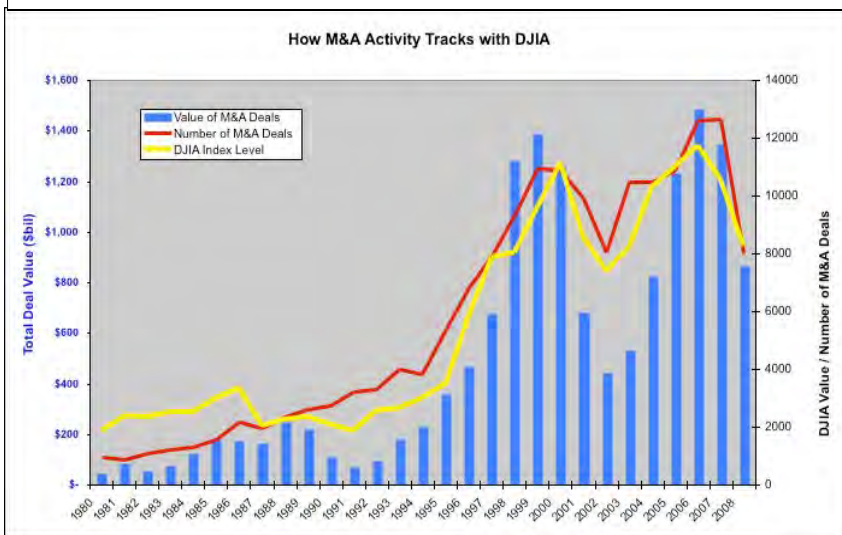
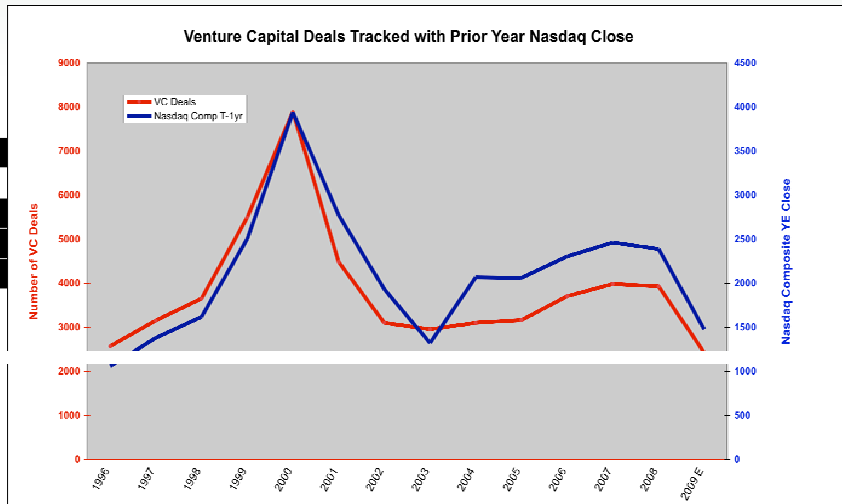
When fund flows are low, returns are high



When fund flows are high, returns on funds fall

Graph A Source: PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report, Data: Thomson Reuters
 Graph B Source: Cambridge Associates NVCA
 Notes: Based on data compiled from 1,036 U.S. venture capital funds, including fully liquidated partnerships, formed between 1990 and 2008. Returns are net of fees, expenses and carried interest. Vintage year funds formed since 2005 are too young to have produced meaningful returns. Analysis and comparison of partnership returns to benchmark statistics may be irrelevant.

NetCapital: Timing is Ripe to Invest



When the market falls, funding for VC investments also drops. This is a great time to invest. Supply of Funds is low - fewer VC's means less competition and deals not bid up. Better deal terms, lower cost of entry.

When the market comes back, M&A comes back with it. With more M&A activity, competition for merger candidates is higher, meaning more players and more money bidding up prices. This equals favorable deal terms on the exit end.

If a VC has funds to invest during a lull, it may achieve better deal terms on both the acquisition and exit end.

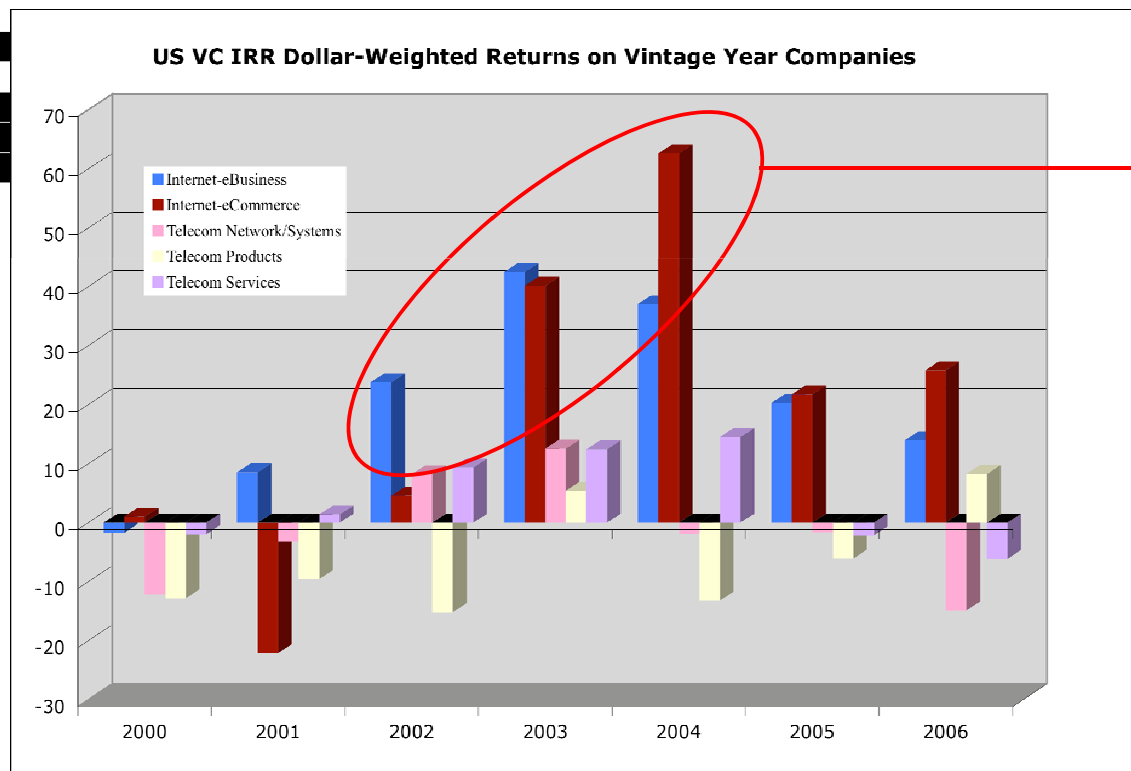
This is reflective of the current situation and current opportunity in the VC market -- one we're very excited about.

“M&A Deals will likely comprise an ever-larger piece of the VC exit pie”

- MoneyTree Report by PriceWaterhoueCoopersand NVCA on data from Thomson Financial

Our relationships and experiences position us to thrive in this type of exit market.

NetCapital: Timing is Ripe to Invest



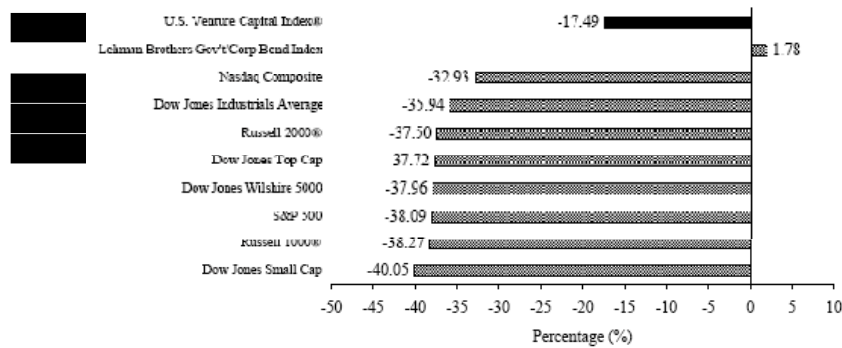
Despite the bursting of the "Tech Bubble" in 2000, companies funded during the aftermath that focused on Web 2.0 still performed remarkably well.

We believe that following the current downturn, companies poised to take advantage of the ready opportunities in wireless and mobile services, applications, and software will perform similarly well, despite a cautious overall economic picture.

Source: Cambridge Associates LLC U.S. Venture Capital Index And Selected Benchmark Statistics as of March 31, 2009, published 8/12/09

VC - Recent Trends and Performance

U.S. Venture Capital Index® Compared to Other Market Indices for the One Year Ended March 31, 2009



As of March 31, 2009

Period	End-to-End Pooled Mean Net to Limited Partners (%) ⁷
One Quarter	(2.87)
One Year	(17.49)
Three Year	1.31
Five Year	5.80
Ten Year	26.16
Fifteen Year	34.23
Twenty Year	22.49

VC outperformed most stock indices in volatile market over the last year

Since 1990, VC has outperformed S&P500 and NASDAQ for 5-year periods ending 94, 96-04, 08, and generated negative 5-year returns only twice.

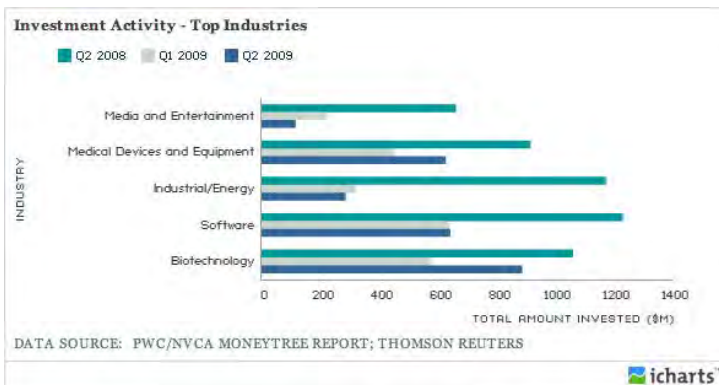
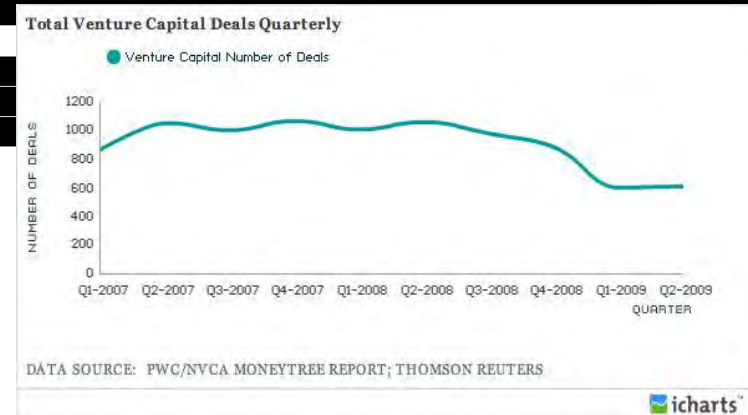
Five-Year Rolling Averages: Venture Capital vs Public Market Indexes

Five-Year Period Ending	Venture Capital	S&P 500	NASDAQ
1990	6.5	9.4	2.8
1991	8.6	11.5	10.9
1992	8.7	12.0	15.4
1993	11.7	10.9	15.3
1994	13.1	5.4	10.6
1995	20.1	13.8	24.0
1996	22.4	12.2	17.1
1997	26.1	17.4	18.3
1998	26.6	21.4	23.1
1999	48.2	26.2	40.2
2000	48.2	16.5	18.6
2001	36.8	9.2	8.6
2002	26.9	-1.9	-3.2
2003	25.0	-2.0	-1.8
2004	-2.1	-3.8	-11.8
2005	-6.5	-1.1	-2.2
2006	1.3	4.5	4.6
2007	8.6	10.8	14.7
2008	8.5	-4.1	-4.7

Sources: Charts 1&2: Bloomberg, Cambridge Associates LLC U.S. Venture Capital Index®, Lehman Brothers, Inc., Standard & Poor's, Frank Russell Company, Thomson Datastream, The Wall Street Journal, and Wilshire Associates, Inc. Chart 3: NVCA 2009 Yearbook prepared by Reuters

VC - Recent Trends and Performance

“The Tourists Have Left” -Mark Hessen, President NVCA



- Venture capital under management by end 2008 decreased 24% from end 2007.¹
- Large funds raised during bubble rolled out of industry’s managed capital, replaced by smaller, more target funds.²
- **We consider these trends healthy for future returns.**

NetCapital: Competitive Landscape

Impact of the global recession on investment strategies - stage (by assets under management)



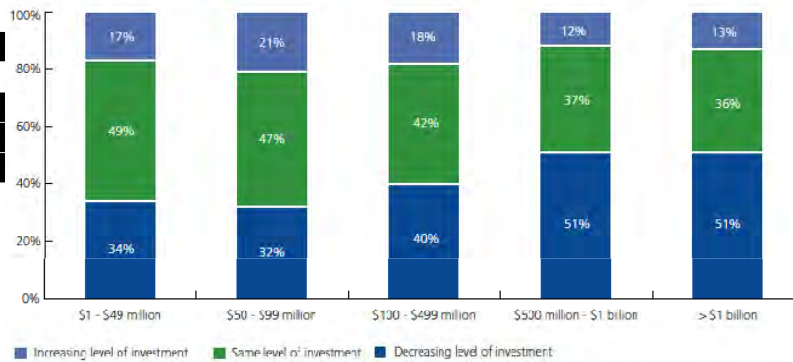
• VC firms shifting away from earlier stage entities toward later stage investments.

Fund Type	Net IRR to Investors For Investment Horizon Ending 09/30/2008 for Private Equity Funds				
	1YR	3YR	5YR	10YR	20YR
Seed/Early Focused	-1.5	3.7	5.0	37.1	21.6
Balanced Focused	-5.6	7.3	11.4	14.9	14.7
Later Stage Focused	9.1	11.1	10.1	8.7	14.5
All Venture	-1.5	6.4	8.5	17.1	17.0
Buyout Funds	-8.3	7.1	12.2	7.3	11.1
Mezzanine Debt	10.8	4.4	4.8	5.4	7.8
All Private Equity	-7.1	7.6	11.0	9.3	12.9

• We will primarily focus on early stage companies. This is counter to industry trends, but we believe offers us a better opportunity for long-term returns.

NetCapital: Competitive Landscape

Impact of the global recession on investment strategies – level of investment in terms of capital (by assets under management)



Source: Deloitte ToucheTohmatsu (DTT) Technology, Media & Telecommunications (TMT) industry group's 2009 Global VentureCapital Survey.

• More firms are decreasing level of investment vs increasing it.

Series	Q2'09	Q1'09	Q4'08	Q3'08	Q2'08	Q1'08	Q4'07	Q3'07
A	8%	13%	16%	16%	15%	17%	16%	13%
B	27%	28%	26%	26%	31%	29%	26%	38%
C	35%	17%	29%	28%	20%	22%	27%	28%
D	13%	20%	14%	17%	19%	13%	16%	12%
E and higher	17%	22%	15%	13%	15%	19%	15%	9%

• Series A funding at a recent low. We plan to participate primarily in A rounds (and some B) and follow-ons for our portfolio companies.

VC – Near Term Trends

- International - VCs anticipate significant opportunities in China, Brazil, India, and others.
- Video – higher def and more robust video platforms. Wireless content push / sharing within home and office between devices. Streaming full quality movies on multiple devices.
- Mobile 2.0 – increased capacity of mobile devices, better mobile networks, including 4G, Wimax. Mobile video, purchasing, gaming, and alternate reality and gaming via integrated mobile devices.
- Social Networking / Gaming
- Transition to Digital Distribution
- Convergence of Technologies
- CleanTech - though this is an area of high growth and significant fund interest, we do not plan to seek opportunities here as we will maintain a fund discipline in our primary areas of expertise.

NetCapital: Appendix A

NetCapital Portfolio Companies

NetCapital: Current Portfolio Companies



~~NetMovies, Inc. is an enterprise focused on enabling, delivering, and distributing multimedia entertainment to consumers, and providing a platform for the converged control of and optimal distribution of content among consumer's entertainment choices in a single platform. Started in 2001 by John Fanning, founding Chairman and CEO of Napster, Inc., NetMovies targets inefficiencies in distribution networks.~~

Just as Napster was designed as a broker of consumer-owned files, providing liquidity in file sharing networks that pioneered the field of multimedia file sharing, paving the way not only for peer-to-peer networks such as Bittorrent, but also proving the fundamental business model that fuels YouTube, and establishing the internet as a venue for music that inspired the resurgence of Apple and forays into the space by leaders such as Microsoft and Dell, with NetMovies, Mr. Fanning has applied his vision to broadband media, identifying inefficiencies in the network. Initially expanding on peer-to-peer technology developed at Napster, this line was spun out to Boston-based PermissionTV, allowing NetMovies to target the one factor most limiting to internet media: the challenges associated with bringing the video from the lean-forward internet to the lean-back television.

NetMovies first product will be a device to wirelessly transmit full-HD signals along with broadband internet across short distances and across longer distances within the home using existing cabling infrastructure and without requiring any effort on the part of the consumer beyond connecting existing cables. Simultaneously, the company will be integrating its existing content distribution infrastructure into the device, offering both the ability to distribute content and multi-media advertisements attached to content delivered by the Company or others on the internet.

NetCapital: Current Portfolio Companies



The NetMovies business model encompasses Three Key Components:

- 1) **Multimedia Hardware** – NetMovies has concepts and preliminary designs for a revolutionary device that will deliver wireless HDMI and HDMI over standard home wiring – allowing for longer distances and traversal of signal-blocking structures. Wireless and wired dongles will attach to televisions and A/V equipment minimizing the footprint and eliminating the need for additional components, while control of the system will via AJAX-enabled wireless web accessed via a NetMovies mobile device or any third-party wifi or cellular device with a browser.
- 2) **Formal and Informal Content** – Connecting both traditional and internet entertainment sources, users of NetMovies devices will have access to television, DVD, or cable and additionally, pending agreements where necessary, formal and informal content available on-line, allowing access to not just such mainstream internet content as Google's YouTube and Amazon's Unbox, but also fringe content available on sites such as TrueTV, Hulu, Joost, Break, or even BitTorrent. Beyond this, the NetMovies CDN offers the capacity to store and deliver such content desired but unavailable elsewhere.
- 3) **Advertising Revenue Streams** – Integral in the NetMovies devices will be the ability to insert pre-roll, mid-roll, or post-roll advertisements delivered via the NetMovies CDN. These ads will be centrally managed, able to be delivered on a global, regional, or individualized basis, and, because the NetMovies are conceived around full-screen entertainment, will be able to be delivered seamlessly with third-party content sources.

Top Tier Strategic Partnerships – NetMovies is pursuing relationships with strategic partners relevant to all aspects of its business—hardware, networking, content, consumer electronics, and distributors. For example, [Blockbuster Inc.] (“Blockbuster”) was a start-up investor in NetMovies and has been instrumental in establishing early relationships between NetMovies and content providers, as well as representing a potential distribution and marketing partnership.

NetCapital: Current Portfolio Companies



The key to the NetMovies model is to exploit the opportunity created by parallel media consumption. Various sources report an almost doubling of the trend of simultaneous consumption of multiple media sources, typically realized in the form of browsing web sites with the television playing in the background. Using the NetMovies device, this parallel consumption can be integrated. For example, a browser plug-in could shunt a web page to the television, automatically displacing the existing television programming with new multimedia content from the web. Achieving the once science fiction goal of seamless connections, NetMovies is exploring such user interface models as, for example, connecting the top of a screen device with a television, allowing digital content to be pushed off the top of the screen to appear on another connected device. Dating back to the original Napster, this integrated entertainment model has always been Mr. Fanning's vision, and only now has the technology arrived and become mainstream enough for it to be realized.

A significant opportunity exists to provide multi-screen integrated entertainment beyond the single-screen convergence model currently being explored by such vendors as Apple, Tivo, and Microsoft. NetMovies believes it can capitalize on this opportunity and address the shortcomings of its competitors by utilizing a revolutionary technological framework to integrate a range of services and content:

Advanced Technology

- Wireless and waveguided HDMI technology is now, for the first time, making existing home data infrastructure able to satisfy the requirements to achieve this integration;
- New chip technology enables datapath convergence and multi-format decompression to be pushed downstream.
- Premium content; Range of Content
- Moore's law and miniaturization make possible the deployment of multi-purpose, multi-capability systems able to fit into a package small enough to fit in a dongle;
- Diverse revenues - Hardware sales, Partner fees, Advertising distribution
- With few limitations, any and all content distributable in any medium will be able to be pushed to a television screen

Going forward, NetMovies is establishing and building relationships with strategic partners in all segments of its business—hardware, networking, content production, consumer electronics, and distributors. These partnerships would create substantial growth opportunities in the near future, allowing NetMovies to expand into markets outside the home including mobile and professional markets

NetCapital: Current Portfolio Companies



Netwire empowers its members (individuals who open Netwire accounts) with the ability to instantaneously transfer money worldwide. A Netwire account acts as an e-wallet, which will then permit members to load, withdraw and transfer funds seamlessly and instantly. Through agreements we've set up with banks around the world, members have the ability to transfer funds to any other Netwire member anywhere in the world, eliminating inconvenient delays currently presented by agents such as Western Union, Money Gram and Vigo, among others. All transactions for members within the Netwire network are free of charge for the sender and recipient, a major competitive advantage over firms such as Paypal and Western Union which impose costly fees on the transaction.

Revenue Model

The majority of revenue for Netwire is interest (float) collected on member's accounts. Member accounts are similar to checking accounts provided by banks in that our members will not realize any of the interest payments to their accounts; instead, this interest will be realized as Netwire revenue.

Revenue is also generated through transfers involving the exchange of currency. By setting foreign exchange rates slightly below those set by the marketplace, we generate extra revenue on every transfer involving currency exchange.

An additional source of revenue is generated from member withdrawals involving the use of an ATM. These ATM fees are shared with the owners of the ATM network. While small, the fees encourage the use of the ATM's and therefore build a significant amount of revenue for Netwire over time. Rather than pay traditional ATM fees of \$2 or more Netwire users can pay fees as low as .25 cents.

Finally, but not inclusively, we generate revenue through strategic alliances with firms possessing certain characteristics. These alliances build revenue by attracting customers, while also building revenue through the sale of information regarding member spending to the allied firm. An example of such alliances might be offering Dell coupons for Dell customers who processed their order through Netwire, or Blockbuster gift cards which enable movies to be sent as a gift, all processed exclusively using the Netwire network. Bestbuy for example can bundle discounts with products which encourage value minded shoppers to buy the latest cell phone and pay for it using Netwire for cell phone service!

Further information regarding transfer frequency, origin and destination pairs, and global interest rates, among other things, are calculated in order to capture monthly, quarterly and yearly projected revenue.

NetCapital: Current Portfolio Companies



Growth and Competitive Advantage

Netwire is expecting substantial growth in the future. This growth is based on the uniqueness of the service, technological efficiencies, and strategic alliances.

How would you like to be one click away from instantly transferring funds to someone anywhere in the world? With Netwire, this is possible. Currently, it takes brick and mortar establishments considerable amounts of time to process and post transfers to recipient's accounts. Through our service, members are able to safely and instantly transfer funds anywhere in the world, without fees of any sort. Herein lies our competitive advantage, and innately we are capturing market share from the current brick and mortar establishments and from other online money transfer companies, while revolutionizing the way people transfer money.

Netwire eliminates the fees associated with firms such as Paypal and Western Union, significantly lowering costs for the transactions to its members. By eliminating both flat fees and percentage fees per transaction, Netwire is able to significantly undercut its competitors, offering retail customers a way to slash costs and offering individuals the ability to transfer money online as cheaply, and far more conveniently, than they can offline.

In addition, strategic alliances with firms who fit the mold laid out in our business plan are being pursued in an attempt to grow the member base. These strategic alliances will also include firms who are household names and that have a vast number of locations, allowing us to capitalize on their distribution network, while keeping our costs low.

Moreover, at this stage we will be able to capitalize on business opportunities and avoid the bureaucracy involved in the everyday business of large corporations. By operating as a closely held firm, decision-making is less cumbersome; as a result the firm operates efficiently and without the complications brought upon by the bureaucracy of big business. The technological edge brought upon by the way we do business also carries over into the streamlining of business decisions, further adding to the competitive advantage of Netwire.

NetCapital: Current Portfolio Companies



Disruptive Technology

By leveraging and then integrating existing Internet based and financial based technological infrastructure using proprietary software, Netwire is able to disintermediate many of the existing shortsighted players. It's easy to imagine Netwire quickly aggregating 100 million customers through partnerships, then with that consumer base providing our retail customers the opportunity to reduce or eliminate fees associated with online payments such as credit cards or Paypal by using Netwire. Because Netwire is a PIN based system we can not only disintermediate Visa and MasterCard, making them obsolete, but also we may drastically reduce or even potentially eliminate retail credit card fraud.

The Need for Additional Capital

Netwire is in its early stages, meaning that additional capital would enable us to take full advantage of our current business opportunities, and to expand on our current infrastructure that will allow us to properly manage our growth.

Exit Strategies

Within the next 12-24 months Netwire should have the opportunity to go public if it chooses. Once the firm is well established and the timing is correct, Netwire will have that flexibility. Contrary to many other firms that attempt to become acquisition targets, we on the other hand plan on purchasing other companies in the hope that the synergy created from the purchases is able to further compliment the operations of Netwire. There are a number of small targets that both enable additional Netwire network function and aggregate customers. In 2004, First Data Corporation (owner of Western Union) spent \$7,530.9M in acquisitions, and while we do not anticipate spending this amount on purchases early on, we still feel that an acquisition strategy is viable possibility that could be facilitated by an IPO.

NetCapital: Current Portfolio Companies



ON24 is the global leader in webcasting and virtual events. ON24 provides a full range of innovative solutions for applications such as demand generation, conferences and events, product launches, professional development, internal communications and executive announcements. More than 700 organizations in publishing, technology, life sciences, government and financial services rely on ON24. Its customers include Cisco, United Business Media, Credit Suisse, GE Healthcare, Hewlett-Packard, IBM, Motorola, the National Science Foundation and Samsung. Founded in 1998, ON24 is headquartered in San Francisco, with offices in New York, London and Singapore.

Virtual Events Specialists

ON24 is committed to providing industry-leading webcasting, lead generation and virtual events solutions that meet the performance, value and reliability requirements of businesses of all types and sizes. ON24's focus is on the breadth of its product offering; as a result, it provides a full portfolio of products, solutions and services for internal and external communications.

- * ON24 Webcasting: For a feature-rich, interactive and highly branded way to reach an audience of thousands worldwide. Available in both full- and self-service models.
- * ON24 Virtual Show: Conduct virtual trade shows, jobs fairs and partner marketing events in a virtual environment allowing speakers/exhibitors to inform and interact online with attendees.
- * Insight24: Featuring 5,000 videos, webcasts and podcasts from over 175 leading-edge companies, Insight24 extends the marketing reach of rich media content while improving lead generation investment ROI.

A primary benefit ON24 provides is superior lead generation. Customers generate more qualified sales leads by leveraging the impact of streaming media communications and ON24's lead generation system.

NetCapital: Current Portfolio Companies



Our Solutions Approach

ON24 products are much more than a technology platform and global network. The value ON24 brings to webcasting and virtual events is its solutions approach. That is why ON24 is the virtual events provider of choice of some of the world's most exacting organizations. More than 700 enterprises from sectors as diverse as continuing education, telecommunications, publishing and financial services rely on ON24 for their end-to-end webcasting and virtual event initiatives. These include:

- * Conferences and events
- * Product launches
- * Sales lead generation
- * Executive announcements
- * Financial road shows
- * Corporate and human resources communications
- * Training
- * Continuing education
- * Marketing communications
- * Investor relations
- * Virtual trade shows
- * Virtual job fairs
- * Partner marketing events

Innovative Technology, Proven Quality and Reliability

The patented ON24 platform is comprised of web-based tools used for the development and production of customizable webcasts and virtual events. The audience interfaces are delivered with HTML, JavaScript and Flash. The back-end runs on Java/J2EE.

The technology is delivered as an ASP (Application Services Provider) solution. The architecture generally consists of an Oracle database, Weblogic application servers and Apache web servers running Solaris. Microsoft-based technology, Real Networks and Adobe Flash are used for encoding and streaming live and on-demand media (video and/or audio).

Flawless execution is required for the types of virtual events for which ON24 systems are typically used. ON24 has implemented a number of measures to guarantee reliability. For example, reliability is ensured with ON24's unique network featuring two fully redundant data centers. However, ON24 also has the ability to react immediately and positively in those rare instances when customers are seeing a failure that affects their viewing audiences.

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NetCapital: Current Portfolio Companies



ON24 Global and Connected

ON24's product solutions are available globally through ON24 and its partnership network. Throughout the world ON24 clients enjoy the same leading-edge technologies, services, experience and innovation. With multi-language support and vendor affiliates throughout North America, Europe and Asia, the company's webcasting and virtual events solutions are able to serve the needs of clients and their audiences everywhere. ON24 has produced webcasting events throughout the United States, Canada, Europe, Asia and Latin America and has a global network of local single- and multi-camera production crews. The company has produced multilingual webcasts in languages such as Japanese, Mandarin, Korean, German, Spanish and French. Preferred partnerships with Globix and Akamai mean ON24 customers have access to one of the largest and most comprehensive and effective content delivery networks in existence.

- * Global content delivery network
- * Compatible with most Asian and European languages
- * Channel partners and studio and production affiliates throughout North America, Europe and Asia
- * Unsurpassed level of network scalability for audiences of all sizes

24/7 Service and Support

ON24 has a best-in-class service offering:

- * Professional Services consulting comprised of a team of seasoned event managers
- * Full production capabilities
- * Signal acquisition
- * Hosting, encoding and distribution
- * Graphics and animation creation
- * Template building and customization

Funding

* Canaan Partners * Rho Ventures * U.S. Venture Partners

NetCapital: Current Portfolio Companies



Jerk.com provides consumer reputation management. The site is currently in an early stage alpha release. It offers a framework for posting praise and disputes, computing ratings, and gathering feedback and comments; the system provides for users to include photos and personal information.

Online reputations are critical to social and business interactions. eBay's growth was as much fueled by its credible reputation management as by its marketplace. Buyers today can review feedback related to transactions. This enables millions of buyers and sellers to build relationships based on trust. On Amazon, product reviews establish trust for otherwise unknown products and authors. However, this trust is brokered: we trust Amazon reviews and eBay reputations not because we believe in the participants but because we believe in Amazon and eBay. Several vendors have made attempts to establish vendor reputation and major social networks provide the infrastructure for a pervasive consumer reputation platform but in neither area has a clear leader emerged, especially since eBay's retreat from tracking buyer reputation in 2008.

Designed to offer Wikipedia-like information on doing business and for social interactions on the web, the content is growing organically from the users themselves and reflect the view of the people who have personal first hand knowledge of the profiled individual. As we achieve market penetration, first targeting stranger-stranger transaction venues such as eBay, PayPal, Amazon zShops, and also the online dating space, Jerk.com ratings will become the ubiquitous reputation service across the net. On Jerk.com employees can praise or critic their bosses while those considering a new job opportunity may be able to find what a person is like to work for. Online daters are able to post and read feedback about what a person is like to date. Other vertical applications are abound.

NetCapital: Current Portfolio Companies



As vendors and intermediaries integrate it into their services offering settings for negative or neutral ratings, users will be more incentivized to integrate a Jerk.com widget into their personal web presence to solicit positive ratings from friends and associates. The Jerk API will allow site developers to mash-up a reputation component in their sites. The Jerk score, integrated through the Jerk API, can re-create recently-deleted buyer rankings in eBay and provide an aggregate reputation to even thinly-trafficked sites on the web. This integration will be provided free of charge to site owners in order to gain widespread adoption.

For example, looking at the Jerk.com value added in the dating space, surveys have shown that as many as 40% of men registering on on-line dating sites are in a committed relationship. Jerk.com, by allowing participants to rate each other in a venue that exists longitudinally across the net, offers daters the opportunity to rate their dates in a way that will stick with them in every thing they do. Many relationships end with a desire by one party or the other to protect others from the negative aspects of their dating experience, whether it be quirks, personality flaws, or major deceptions. Once again, by focusing on the "jerk" aspect, filing a report on Jerk.com provides a simple, easy interface for a benign form of vengeance. With the dispute resolution steps, the majority of false reports will be easily dismissed while the accurate ones will stick with the offender. A Jerk.com score will stick with offenders, providing a benefit to dating sites who integrate the Jerk widget into their interface and also a third-party reference check for users of those sites that do not.

Used in commerce, Jerk.com extends the proven functionality of Ebays seller and customer ratings across the web. Extending the model proven by Ebay, Jerk.com adds several key functions. Ratings are weighted by each raters positive scores: users with terrible feedback have little ability to rate others. While anonymous ratings are a part of Jerk.com, with partner sites, buyers and sellers are connected through a transaction and participating in certified transaction ratings are also given extra weight. By combining these two factors computing each users Jerk score giving weight to ratings by well-regarded users and also to certified partner transactions Jerk.com provides a strong incentive to participate formally in the Jerk.com network. Vendors who participate can embed a widget on their site that will unobtrusively invite site visitors to join Jerk.com if they have not already done so; for those who do participate, the users own and the vendors score will be displayed. This benefits both parties by giving users confidence in vendors and vendors will be able to learn the scores of users who visit their site and also get a reading on those who make purchases. It is conceivable that some vendors might, like they did on Ebay, require a certain rating and a certain number of feedback results from a user before completing a transaction or a transaction of a certain size.

NetCapital: Current Portfolio Companies



Topologically similar to dating, the massively-multiplayer on-line role-playing games ("MMOs") such as World of Warcraft involve on-line participants forming groups, often with long-term commitments and with opportunities to profit from deception. As with dating, those victimized by bad actors will be motivated to submit a Jerk Report, resulting in a permanent stain on the MMO character, and, possibly if the connection can be made, the player who controls the character.

However, even if the real-world connection cannot be made, users invest substantial amounts of time in developing their characters and should these characters find themselves earning a bad reputation in a public way, the consequences will be real and difficult to escape without starting their MMO experience over from the beginning.

Revenue Model

In its start-up phase, Jerk.com is establishing its free consumer service and building its userbase to whom it will later offer value-added services. In the initial phase, Jerk.com will provide reputation services via the web site and the API to partners for up to a set number of transactions per hour free of charge. Once a partner goes beyond half the default minimum, the partner will be required to choose from among the basic and tiered plans, offering either a free or flat-fee base number of monthly transactions plus a small per-transaction overage charge. Note that one option will be to keep the service free up to the default minimum but to establish a payment option for use beyond that threshold. Through the initial phase, use within the Facebook platform will be offered free of charge without limit and eBay use will be charged to sellers and not eBay (aggregated across all products offered; note that for most eBay sellers the service will be free). This revenue model, based on that offered by Craigslist and Googles App Engine platform, will most efficiently drive adoption.

Other potential revenue streams include advertising as well as subscriptions services. For example, users may be charged for access to dispute resolution or other premium and for fee services.

NetCapital: Current Portfolio Companies



Market

The buyer ratings on eBay were a powerful quantification of online reputations. With the deletion of this feature, originally introduced in 1995 and removed February 20th, 2008, a dramatic void in e-commerce reputation emerged. While many e-commerce aggregators include a variety of online tools for vendor ratings, no single tool has achieved the reputation or credibility of eBay ratings and most are tainted by their failure to restrict shill voting on the rated entities. Other vertical applications in social networking, dating, or employment opportunities also lend themselves to the use of the Jerk.com model.

Compelling Investment Thesis

From a business perspective Jerk.com offers a powerful positive potential for a high impact and profitable business model:

- * New Idea which is controversial, hence likely to get good PR attention.
- * Good for society (positive change in behavior) by tracking and providing feedback on peoples behavior and reputation we encourage them to turn from jerks to saints.
- * Strong appeal to teenage demographic with strong viral effect on social networks.
- * Self building content and community offers simple low cost execution (no need to create, or buy content)
- * Powerful brand potential with 2 syllable name easily adopted into the lexicon
- * Low funding requirements prior to tipping point
- * Large market potential (nearly every person on earth)

NetCapital: Current Portfolio Companies



SportsClub.com is a revolutionary sports social network, which implements the latest capabilities in video, mobile, and broadband to provide members first in class utility and entertainment. At SportsClub.com we take social networking to the next level as members can upload video of their sports and fitness training, and receive personal feedback from experts, pro athletes, and their peers. They will also receive customized video drills to help them achieve their athletic goals. Furthermore, SportsClub.com will be the only site of it's kind to offer a seamless mobile platform where users can take their training with them for more effective workouts, and upload their training videos from the field or gym for continued feedback.

SportsClub will be designed as a multiplatform entertainment and utility service from the core. Unlike most social networks that exist primarily online with mobile apps that replicate a lite version of the online experience, Sportsclub's extensions enhance the online experience making the whole greater than the sum of it's parts. In addition to mobile and web, live in-person camps and teaching seminars are a major touchpoint of the service. We will also outfit partner facilities with technology to record and analyze athletes and share feedback with them online. We hope to also create content for cable or on-demand television to extend our brand and drive usage. Our goal is to take social networking and integration to the next level and offer an unmatched service.

SportsClub.com is assembling a team of some of the best current and former professional athletes, leaders in broadband and mobile technology, and pioneers in digital content creation and distribution to create a seamless interactive media experience like no other.

NetCapital: Current Portfolio Companies



Individualism and Customization. We will be the only social network, and perhaps the only major site on the web to offer users personal, customized feedback on their posted content.

Powerful Mobile Experience. We will be the only site with the mobile platform and tools to allow users to augment their experience away from their desktop in a synergistic way.

Myriad Revenue Streams. Subscriptions, advertising, sponsorships, product integration, camps, personal videoed training consultations.

True Cross-Platform Presence. Our user touchpoints will encompass *web, mobile, live, broadband content, and potentially tv, podcast, and more.*

Better Access - Our pros and experts will be carefully selected and incentivized to create a truly rich interactive user experience, unlike some of our competitors.

Business Model

SportsClub.com will derive revenues from multiple sources. The service will be free to join, with **Paid Premium Subscriptions** for access to and feedback from pros and experts. This will be our primary revenue source.

We will seek to attract revenue other ways:

Advertising Revenue – limited ads on the site, potentially framing the video player, and banner on the mobile app.

Product Integration – We will attempt to feature products, sports equipment, sports drinks etc., in our training videos for a fee.

Sponsorships – we will attempt to solicit sponsors for certain special segments of the site, and potentially certain athlete profiles.

Clinics – live camp experiences with experts will be another revenue source.

Integrated Training Facilities – Through partnerships with facilities or creating our own, we will offer training sessions that are taped and analyzed with results to be the foundation for a continuing interactive dialogue online between our user and SportsClub.

NetCapital: Current Portfolio Companies



Founded in January 2000, NetGames is dedicated to bringing online games to the public. Through our upcoming gaming service, you'll be able to play hundreds of games-some free, some 3rd party proprietary titles, and some of our very own titles-more easily than you ever have before. NetGames understands the online gaming experience and we're about to revolutionize it.

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DECLARATION OF CRAIG KAUFFMAN

1. My name is Craig Kauffman. I am an investigator with the Federal Trade Commission (“FTC”), a position I have held for approximately 25 years. My business address is 901 Market Street, Suite 570, San Francisco, California, 94103. The following statements are within my personal knowledge.

2. As an investigator, my duties include monitoring and investigating persons or companies that are suspected of engaging in unfair or deceptive acts or practices in violation of the Federal Trade Commission Act, the Children’s Online Privacy Protection Act, and other laws or rules enforced by the FTC. I participated in the Commission’s investigation of Jerk LLC (“Jerk”). In the course of this investigation, I have acquired personal knowledge and information about the facts stated herein.

I. ATTACHMENT INDEX

3. The following is an index of the documents attached to my declaration:

Kauffman Ex.	Description
A	website www.jerk.com as it appeared on May 1, 2012
B	5/1/12 video of the website www.jerk.com (saved on lodged DVD accompanying this declaration)
C	5/12/12 video showing purchase of \$30 membership to Jerk (saved on lodged DVD accompanying this declaration)
D	Credit card statement showing purchase of \$30 membership to Jerk
E	Contents of email folders showing no messages from Jerk
F	5/11/12 video showing payment of \$25 customer support fee to Jerk (saved on lodged DVD accompanying this declaration)
G	Credit card statement showing two \$25 payments to Jerk

II. WEBSITE

4. On May 1, 2012, I accessed the website www.jerk.com. I used the software program Adobe Acrobat 9 Professional (“Adobe”) to capture the contents of www.jerk.com. One of Adobe’s numerous software tools allows users to convert the contents of a web page into a PDF file. The conversion process includes any JPEG images, text files, image maps, as well as

1 other associated files from the original web page. Attached as Kauffman Attachment A is a true
2 and correct copy of the website www.jerk.com as captured on May 1, 2012, using Adobe
3 software.

4 5. On May 1, 2012, I used the software program Camtasia to record a real-time
5 video of the images on my computer screen. I accessed the website www.jerk.com and clicked
6 on various links on the website, including "Post a Jerk," "Remove Me," "Track People," "Am I a
7 Jerk," and "School." I immediately saved the Camtasia video on my computer as a Windows
8 Media file. On August 31, 2012, I burned the video to the DVD accompanying this declaration.
9 A true and correct copy of the video I created on May 1, 2012 of the website www.jerk.com is
10 saved as Kauffman Attachment B on the DVD lodged with this declaration.

11 III. SUBSCRIPTION

12 A. Creation of Undercover Accounts

13 6. On May 9, 2012, I accessed the website www.hotmail.com and created a free
14 hotmail email account, valdictorian@hotmail.com, for a fictitious consumer named Val
15 Dictorian. I am the only person with the password to this hotmail account. I have not deleted or
16 modified any messages sent to this hotmail account.

17 7. On May 11, 2012, I accessed the website www.jerk.com and created a user
18 profile for Val Dictorian. Val Dictorian is the only profile I created on Jerk.

19 8. As part of my duties as an investigator, I have access to an undercover credit card
20 that FTC staff use for investigations. I made all the purchases described in this declaration with
21 the undercover credit card.

22 B. Purchase of \$30 Membership to Jerk

23 9. On May 16, 2012, I accessed the website www.jerk.com and clicked on the link
24 titled "Track People" and then on the link titled "LOG IN." When I clicked on "LOG IN," I was
25 directed to a page that stated:

26 "Welcome to Jerk. Looking for the latest scoop on a world filled with Jerks?
27 Want to join millions of people who already use Jerk for important updates for
28 business, dating, and more? Don't worry we have room for one more!

1 Subscribers on Jerk yourself [sic] and receive free benefits including:

- 2 1. Fast notifications of postings about you!
- 3 2. Updates on people you know and are tracking.
- 4 3. Search for people you know, and read about people you are interested in.
- 5 4. Enter comments and reviews for people you interact with.
- 6 5. Help others avoid the wrong people.
- 7 6. Praise those who help you and move good people closer to sainthood!"

8 10. The page also contained a button titled "Subscribe" directly below the description
9 of Jerk's membership features. I clicked on the "Subscribe" button and was directed to an online
10 form titled "Billing Information." The top of the form stated, "Become a Subscriber . . . You
11 must be a subscriber member in order to create a dispute!" The billing form requested my
12 personal information, including my name, address, email address, and phone number. The
13 bottom of the form contained a field where I could choose between a "Gold Membership," which
14 was "(under development)," or a "standard membership for \$30 / year."

15 11. Using the Val Dictorian profile I had created, I entered the required information
16 on the Jerk subscriber form, including the email address, valdictorian@hotmail.com. I selected
17 the \$30 standard membership and entered payment information for the FTC undercover credit
18 card. After I paid \$30, a message appeared on screen stating: "Your existing account,
19 valdictorian@hotmail.com, has been upgraded to standard membership. Please relog on jerk, to
20 use all the features."

21 12. I next logged into the email account for valdictorian@hotmail.com and checked
22 all the mail folders, including the spam folder. The account did not contain any messages from
23 Jerk or from any other entity regarding my Jerk subscription.

24 13. I returned to www.jerk.com and clicked on the "sign in" link at the top of the
25 webpage. A prompt appeared requesting an email address and password. I entered the email
26 address valdictorian@hotmail.com and clicked on the link "forgot password." I was directed to
27 another page that requested my email address. I entered the email address
28 valdictorian@hotmail.com and clicked on the button titled "email my password."

1 information for the FTC undercover credit card into the payment form and clicked the "submit"
2 button. After I made the payment, the following message appeared on my screen: "Your
3 payment was successful. The administrator will receive your message!"

4 19. On May 11, 2012, I used the software program Camtasia to record a real-time
5 video of the images on my computer screen. I immediately saved the Camtasia video on my
6 computer as an avi file. On August 31, 2012, I burned the video to a DVD. A true and correct
7 copy of the video I created showing my payment of a \$25 customer support fee to Jerk is saved
8 as Kauffman Attachment F on the DVD lodged with this declaration.

9 20. On May 11, 2012, I completed the "Contact Us" form on Jerk for a second time.
10 I entered information for the FTC credit card and again requested that Jerk remove the profile
11 containing the photo of Ms. [REDACTED] child.

12 21. In early June 2012, I received a statement for the FTC credit card I used to pay for
13 the \$25 customer support fees to Jerk. The statement showed that "JERK LLC JERK.COM
14 MA" posted two \$25 charges to the credit card on May 14, 2012. A true and correct copy of the
15 credit card statement, with sensitive information about other investigations redacted, is attached
16 as Kauffman Attachment G.

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18 I hereby declare under penalty of perjury that the foregoing is true and correct. Executed
19 at San Francisco, California, on August 31, 2012.

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Craig Kauffman