UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS:	Edith Ramirez, (Julie Brill Maureen K. Ohl Joshua D. Wrigł Terrell McSweer	hausen It
In the Matter of Jerk, LLC, a limited liabil also d/b/a JERK.Co John Fanning,	OM, and)))) DOCKET NO. 9361)
individually and as Jerk, LLC.	a member of)))

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

VOLUME 7

CX0301

UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

		nirez, Chairwoman			
	Julie Brill				
	Maureen K.		sen		
	Joshua D. V	•			
	Terrell McS	Sweeny			
		<u> </u>			
)			
In the matter of:)			
)			
Jerk, LLC, a limited liability company,)	DOCKET NO. 9361		
	1 1)			
Also d/b/a JERK.CO	M, and)			
John Fourier)			
John Fanning,	1 0)			
Individually and as a	member of)			
Jerk, LLC,)			
_)			
Respondents.)			

RESPONDENT JOHN FANNING'S ANSWERS TO COMPLAINT COUNSEL'S <u>FIRST SET OF INTERROGATORIES</u>

Pursuant to Rule 3.35 of the Federal Trade Commission's Rules of Practice, 16

C.F.R. § 3.35, and the Court's Scheduling Order dated May 28, 2014, Respondent John

Fanning provides the following answers to Complaint Counsel's First set of Interrogatories:

1. Identify all current and past members, officers, directors, principals, owners, shareholders, employees, agents, consultants, volunteers, unpaid or paid developers, project managers, collaborators, and other persons working for or on behalf of Jerk, LLC.

Answer to Interrogatory No. 1

Objection. The question seeks a legal conclusion, as the determination as to whether an individual is an employee, consultant, agent or maintains other status involves issues of law. Further, the question seeks information that is not reasonably calculated to lead to the discovery of admissible evidence or irrelevant and immaterial matters in violation of the FTC rules of procedure. Also, the question is vague and ambiguous, as the terms collaborator or working on behalf of Jerk are indefinite.

Without waiving and subject to said objection, Fanning responds as follows:

I do not specifically recall any employees of Jerk or know whether Jerk had any employees. **Second and Second and Max and Max**

2. Identify all persons who, acting for or on behalf of Jerk, LLC, have met or communicated with Jerk, LLC's legal counsel about this matter.

Answer to Interrogatory No. 2

Objection. The question seeks a legal conclusion, as the determination as to whether counsel was serving as legal counsel, and whether any person was acting on behalf of Jerk. Further, the question seeks information that is not reasonably calculated to lead to the discovery of admissible evidence or irrelevant and immaterial matters in violation of the FTC rules of procedure.

Without waiving and subject to said objection, Fanning responds as follows:

I have communicated with Maria Speth, counsel for Jerk.

3. Identify all persons who, acting for or on behalf of Jerk, LLC, have made, agreed to, or promised to make any payment or other consideration to Jerk, LLC's legal counsel for services relating to this matter.

Answer to Interrogatory No. 3

Objection. The question seeks a legal conclusion, as the determination as to whether counsel was serving as legal counsel, and whether any person was acting on behalf of Jerk. Further, the question seeks information that is not reasonably calculated to lead to the discovery of admissible evidence or irrelevant and immaterial matters in violation of the FTC rules of procedure.

4. State the dates during which Jerk.com, Jerk.org, and Jerk.be (collectively, the "Jerk websites") were publicly accessible.

Answer to Interrogatory No. 4

The answer to this question is unknown to me.

5. State the dates during which the Jerk websites permitted users to upload photographs or other pictorial representations when creating profiles on the Jerk websites.

Answer to Interrogatory No. 5

The answer to this question is unknown to me.

{K0552521.1}

6. State the total number of annual unique visitors to the Jerk websites for the years 2009 to 2013.

Answer to Interrogatory No. 6

The answer to this question is unknown to me.

7. State the total number of profiles displayed on the Jerk websites during the years 2009 through 2013, and the number of these profiles that have (i) featured a photograph or other pictorial representation of the profiled person; (ii) depicted or indicated that the profiled person is under 13 years of age; or (iii) reflected a 0/0 vote for the Jerk/Note a Jerk votes tally.

Answer to Interrogatory No. 7

The answer to this question is unknown to me.

8. Identify and describe in detail all methods by which profiles on the Jerk websites have been created or displayed, and state the number of profiles created by each such method during the years 2009 through 2013.

Answer to Interrogatory No. 8

The answer to this question is unknown to me.

9. Identify all sources, including, but not limited to, websites or social media platforms from which Jerk, LLC or the Jerk websites have obtained content, information, or images that have been displayed in profiles on the Jerk websites, and state the number of profiles containing such content from each identified source.

Answer to Interrogatory No. 9

The answer to this question is unknown to me.

10. State how the Facebook Directory, identified in Respondents' Initial Disclosures section II.A, is relevant to this case.

Answer to Interrogatory No. 10

Objection. The question seeks information protected by the attorney-client privilege or as attorney work product.

Without waiving the objection, Fanning states as follows:

I believe that the Facebook Directory shows that it can be accessed by the public without agreeing to Facebook's terms of service thereby making the content publicly available.

11. Describe in detail each company, server, and person where Jerk, LLC, John Fanning, or any persons or entities acting at either Respondent's direction or on its behalf, has stored content, including web development content such as code as well as images and other depictions, displayed in profiles on the Jerk websites.

Answer to Interrogatory No. 11

Objection. The question seeks information that is not reasonably calculated to lead to the discovery of admissible evidence or irrelevant and immaterial matters in violation of the FTC rules of procedure.

Without waiving the objection, Fanning states as follows:

The answer to this question is unknown to me.

12. Describe in detail each service, product, feature, or benefit that Jerk, LLC has provided to consumers who paid for a monthly membership offered by or through the Jerk websites that was not made available to consumers who did not make such payment.

Answer to Interrogatory No. 12

I did not personally provide consumers with any service, product, feature or benefit.

13. Describe in detail all Jerk, LLC's policies, procedures, and practices relating to consumers' requests to remove content from profiles displayed on the Jerk websites, including, but not limited to, requests to remove copyrighted content.

Answer to Interrogatory No. 13

I have no specific recollection of any such policies, procedures or practices. I do recall hearing or reading that Jerk removed content when requested, including all requested by the FTC and all properly noticed DMCA notices.

14. Identify all persons with authority or ability to remove from the Jerk websites profiles or information, images, or depictions in profiles displayed on the Jerk websites.

Answer to Interrogatory No. 14

The answer to this question is unknown to me.

15. Describe John Fanning's past and present title(s), function(s), and responsibilities at or in connection with Jerk, LLC and the Jerk websites.

Answer to Interrogatory No. 15

I served as an advisor concerning Jerk.

16. Identify all companies, business, ventures, or other entities that relate to the electronic creation, collection, storage, display, or use of information about persons, including, but

not limited to, profiles of persons, with which John Fanning has been involved or connected in any capacity since 2009.

Answer to Interrogatory No. 16

Objection. The question seeks information that is not reasonably calculated to lead to the discovery of admissible evidence or irrelevant and immaterial matters in violation of the FTC rules of procedure. The question is also harassment and an abuse of governmental and regulatory authority, and impinges upon constitutional rights.

17. State all categories listed on Complaint Counsel's May 29, 2014 Deposition Notice to Jerk, LLC for which Jerk, LLC can provide responsive testimony, and for each such category identify the person(s) who can provide responsive testimony on behalf of Jerk, LLC.

Answer to Interrogatory No. 17

The answer to this question is unknown to me.

18. State Jerk, LLC's annual revenue and profit for the years 2009 through 2013.

Answer to Interrogatory No. 18

The answer to this question is unknown to me, but my understanding is that any amounts

were nominal.

SWORN TO AND SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY THIS 30th DAY JULY, 2014.

John Fanning

John Fanning

AS TO OBJECTIONS,

<u>/s/ Peter F. Carr II</u> Peter F. Carr, II Eckert, Seamans, Cherin & Mellott, LLC Two International Place, 16th Floor Boston, MA 02110 617.342.6800 617.342.6899 (FAX) pcarr@eckertseamans.com

Date: July 30, 2014

CERTIFICATE OF SERVICE

I hereby certify that on July 30, 2014, I caused a true and accurate copy of the foregoing

document entitled Respondent John Fanning's Answers to Complaint Counsel's First Set of

Interrogatories to be served electronically through the FTC's e-filing system and I caused a true

and accurate copy of the foregoing to be served as follows:

One electronic copy electronic courtesy copy to the Office of the Secretary:

Donald S. Clark, Secretary Federal Trade Commission 600 Pennsylvania Ave., N.W., Room H-159 Washington, DC 20580 Email: secretary@ftc.gov

One paper copy and one electronic copy to the Office of the Administrative Law Judge:

The Honorable D. Michael Chappell Chief Administrative Law Judge 600 Pennsylvania Avenue, N.E., Room H-110 Washington, DC 20580 Email:

One paper copy and one electronic copy to the Office of the Counsel for the Federal Trade Commission:

Sarah Schroeder Yan Fang Kerry O'Brien Federal Trade Commission 901 Market Street, Suite 670 San Francisco, CA 94103 Email: sschroeder@ftc.gov yfang@ftc.gov kobrien@ftc.gov

{K0552521.1}

One paper copy and one electronic copy to counsel for Jerk, LLC:

Maria Crimi Speth Jaburg & Wilk, P.C. 3200 N. Central Ave., Suite 2000 Phoenix, AZ 85012 Email: mcs@jaburgwilk.com

> /s/ Peter F. Carr, II Peter F. Carr, II ECKERT, SEAMANS, CHERIN & MELLOTT, LLC Two International Place, 16th Floor Boston, MA 02110 617.342.6800 617.342.6899 (FAX)

Dated: July 30, 2014

CX0301-007

CX0302

UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

	:	
In the matter of	:	
	:	
Jerk, LLC,	:	
d/b/a Jerk.com, and	:	
	:	Docket No. 9361
John Fanning,	:	
Individually and as a member of	:	
Jerk, LLC.	:	
	:	
	:	

AFFIDAVIT OF . IN HIS CAPACITY AS MANAGER OF

I, being first duly sworn, do hereby depose and say as follows:

1. I am fully competent to make this Affidavit and have personal knowledge of the factual statements made herein, and all such statements are true and correct to the best of my knowledge, information, and belief.

2. I am the manager of **Control** (the "Company"), a Massachusetts limited liability company, and am authorized to submit this Affidavit on its behalf.

3. The Company generally provides design and branding services.

4. The Company was hired by John Fanning as an independent contractor to provide web / interface designs for a website known as "jerk.com" which upon information and belief is owned by Jerk, LLC.

5. The Company's responsibility was to take agreed on functionality and create static visual designs of what the website would look like. The Company would provide these designs to developers who were responsible for making the website look like the designs and for coding the

CX0302-001

website to function properly, *i.e.* implementing the design. The Company does not provide any code, as it is the exclusive responsibility of the developers.

6. The Company worked with developers hired by John Fanning who were located in India and Romania. Often, the Company would provide designs to the developers and the developers would not build the website to appear as designed by the Company. Moreover, the developers would frequently design functionality that had not been discussed with the Company.

7. Throughout this time, there were ongoing discussions regarding how best to monetize the website. Having a defined concept of how to monetize the website was important to potential investors. One concept was that a website becomes more valuable by the number of its users and the level of the users engagement with the website. Another concept was that the site would provide users with limited information about an individual and the user would have the option of purchasing more detailed information.

8. During the Company's involvement with the project, the default setting for any profile on the site was a "jerk score" of zero. A user could then press a button that counted as a single vote either for or against that profile. Depending on an algorithm created by the developers, each profile might be labeled from a "jerk" to a "saint" on a sliding scale.

9. When the Company was involved with the project, a cloud based project management system, Basecamp,¹ was used to organize discussions. When a person involved with the project posted a message, they could include other users within the project via email notifications. The Company, through myself, communicated with John Fanning via the Basecamp system, as well as by email, telephone, and in person. At no time did I ever have access to or use John Fanning's email account, specifically "

¹ https://basecamp.com/



CX0302-003

CX0303

UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

In t	he Matter of
Jerk	k, LLC, a limited liability company, also d/b/a JERK.COM, and DOCKET NO. 9361
Johi	n Fanning, individually and as a member of Jerk, LLC.
	CERTIFICATION OF COMPLIANCE AND RECORDS Pursuant to 28 U.S.C. § 1746
1.	I, (name and title),
	have personal knowledge of the facts set forth below and am competent to testify as
	follows:
2.	I have authority to certify the authenticity of the records produced by
	(company name)
	("the Company") and attached hereto.
3.	On behalf of the Company, I hereby certify that the Company has used its best efforts to
	respond to the Federal Trade Commission Subpoena ("Subpoena"). The Company has
	conducted a reasonable search and has provided all documents and information in its
	possession, custody, or control that are responsive to the requests contained in the
	subpoena and has substantially complied with those requests.
4.	The documents produced and attached hereto by the Company in response to the
	Subpoena are originals or true copies of records of regularly c onducted activity that:

CX0303-001

- a. Were made at or near the time of the occurrence of the matters set forth by, or from information transmitted by, a person with knowledge of those matters;
- b. Were kept in the course of the regularly conducted activity of the Company; a nd
- c. Were made by the regularly conducted activity as a regular practice of the Company.

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

Executed on June 12, 2014

(Name, Title)

CX0304

From: John Fanning Subject: RE: follow up to our Date: January 29, 2010 at To: Cc:		
Someone needs to tel	where we are meeting tonight a	at 7:30.
john		
John W Fanning Chairman Netcapital Direct Cell		
From: Sent: Friday, January 2 Sent: Friday, January 2 To: John Fanning Subject: Re: follow up		

Hi John,

do we have time and location yet for our meeting today?



On Jan 28, 2010, at 4:29 PM, John Fanning wrote:

The first one. But I think we can do 7:30 🙂

john



From:

Sent: Thursday, January 28, 2010 4:15 PM To: John Fanning Subject: Re: follow up to our call

You mean the ONLY time people can meet is during the ONLY three hours I am not available? Or... you are just pointing out that my syntax is all wrong (which would not surprise me).

> FTC-JERK0001767 CX0304-001



On Jan 28, 2010, at 4:03 PM, John Fanning wrote:

Ouch

available: > 4:30pm available: < 7:30pm

Is better!



From:

Sent: Thursday, January 28, 2010 3:52 PM To: John Fanning Subject: Re: follow up to our call

John. Thanks again for the call.

I think this could be a really cool project. I just double checked and I am available up to 4:30pm tomorrow, and then anytime AFTER about 7:30pm. I know you have a tech background, so maybe this helps better:

available: < 4:30pm available: > 7:30pm

cheers.



FTC-JERK0001768 CX0304-002

On Jan 28, 2010, at 3:06 PM, John Fanning wrote:

I spoke with set yesterday and wanted to try to connect with you. I called you on your cell but missed you. You can reach me at set of or on my cell. I was also wondering if you are close to where I have some students working on a project I might like you to interface with if possible.

john



From: Sent: Wednesday, January 27, 2010 10:40 AM To: Subject: follow up to our call

Hi John,

Great speaking with you this morning. I've copied on this email. His number is

Mine's . Those are both work/cell.

Looking forward to talking further.

Thanks,



FTC-JERK0001769 CX0304-003

FTC-JERK0001770 CX0304-004

CX0305

From:				
Subject:	Re: follow-up after new design version	•		
Date:	April 30, 2010 at 7:25 PM			
To:	John Fanning			
Cc:		,		

Here are my comments (below). Also, we should start including the in these emails so he can stay in the loop,

On a side not, I am still very worried about the capability to get this right. I think you mentioned they are starting next week, but personally I don't think we should start until we have thought every little detail through with design. There are still some pages missing, the less trivial ones likes FAQ, About, Terms and Conditions. Got to run to dinner, but please read everything below

Positive remarks:

1. The "aero" concept of the new design is admirable. It is very well aligned with the current trends in web design. It is an open&airy design. Nowadays users are looking for this kind of design and it is a good opportunity to use it once we decided to focus on content.

I don't know what this means, but thanks.

2. The color spectrum is well chosen, relaxing but it is also interesting enough to catch user's eye

Really? I thought the white stuff dripping off of our current jerk logo was 10x more eye-catching than what is producing :)

Other remarks:

1. Removing the words Jerk / Saint from the rating description could be detrimental, because only red / green colors aren't intuitive and relevant enough

He does bring up a good point, but I disagree. I think red/green is pretty intuitive for ratings, red being the color of a big, fat F letter grade that gets on all his paper assignments. Users will easily realize that green is a good color due to the postive reviews associated with it. However, we may need to come up with some new wording to describe someones reputation instead of Jerk/Saint. I can see this as a problem on our homepage where we currently have Jerk news, and top 100 jerk/saints. Any ideas? I mean, we could just keep using the word Jerk, except without the domain name, the word somehow seems a little more offensive or aggressive to me.

2. Keep in mind that 99,9% of our profiles are empty, so the profile page for an empty profile will look very poor. I added a profile page for such a profile just to have an impression

Another good point. And personally, of that .1% of non-empty profiles, the content on them is complete crap. "This guy is gay" and "that skank is ugly" is not useful to me or anyone, and it is NOT what this site should be about. We need to provide useful information about people with thorough, critical reviews. Short little comments can then be applied to these reviews. Also, on celebrity profiles, there are 100+ comments pulled from some news sources that are not relevant at all... this is more garbage.

Here is what I propose, and I want you to respond to this. We should delete all comments from our current profiles, remove all duplicate profiles, and start fresh from our already existing abundance of profile names. I can design what an empty profile will look like... I suggest something like what facebook does for new profiles that encourages people to get started by posting reviews. Besides, the purpose of our new design is to move away from comments and towards full-length reviews. Comments can then be applied to these reviews. I don't see how our current comments will fit into our new design.

3. The instrumental element of the website philosophy is "Search" functionality. Moving "Search" functionality in top right corner it decreases significantly its relevance. Think how would look Google with Search functionality moved in a corner and making it even smaller.

I think what we have is fine. Plenty of sites have their search in the top right, and design is much bigger and stands out more than what facebook has. We could have a search in the center on our first-time landing page, like this,

. His comment on google... I use google chrome, so when I want to google something I just type it in the URL box. For other browsers, I feel like most people have the google search plugin in the top right corner... People are used to this. The reason google has a search in the center is because there is nothing to display on their landing page. As soon as google displays search results, the search bar goes to the top.

4. Removing the main menu (actually it has 13 links) could lead to content problems.

FTC-JERK0001997 CX0305-001

Because we don't have too much content on website this menu offers valuable options for end user. Removing it probably will lead to a shorter time on page and to an higher

bounce rate

Links for Jerk of the Day, Jerk news, Top 100 Jerks, and Top 100 Saints (4 total) are unnecessary because these are already displayed on the homepage. In fact, i'm surprised why we still have them in the first place. Post a Jerk and Tell a Story (2, total 6) still say "under construction". What purpose does this message serve? These are unprofessional and should be removed until they are actually implemented. Are you a Jerk, Rate a Date, and Business Feedback (3, total 9) should all be removed because they are found when you go to someone's profile, and I don't think the current versions work effectively... They seem too indirect, I shouldn't have to go to a separate link to post something on someone's profile. Track People, Fine People I know, Home, and Post a Jerk (4, total 13), are the only ones worth considering to keep.

Find people I know should not be a permanent header because I think it is more of a 1-time thing for new users. Perhaps we can replace it with a facebook connect button. Question: when you click Find People I know, does Myspace, Twitter, Linked in, and the other 100 sites titled "Other" work the same was as facebook does? I'm sure each site has a different policy about privacy. I haven't tried, but I doubt these links even work. We may just want to stick with Facebook.

5. We didn't find the graphic solution to display quiz result. There is just graphic solution

for displaying user's personality.

will address this click <u>http://www.jerk.com/profile</u> and then click my Personality tab so you can get an idea of how long each category description is.

6. There isn't the possibility to vote someone without adding a comment

We need to put more thought into our algorithm. I think people who write reviews should have a heavier influence on someone's score than someone who clicks "thumbs up" a bunch of times. This may work to drive traffic. If someone writes a bad review, and there are no other reviews, the person will obviously have a bad score. This person will want to ask his/her friends to write a positive review for them, which will then average out the first bad review.

7. We didn't find payment area to promote a profile

I don't like the idea of being able to pay to make someone's reputation worse. This sounds morally wrong. I know money is an issue, but this early on, I don't want something like this to prevent people from using the site. What was facebook's business plan when they first started out? Oh yeah...

We do need to be discussing this though.

On Apr 30, 2010, at 12:05 PM, John Fanning wrote:



FTC-JERK0001998

CX0305-002

From: [mailto: Sent: Friday, April 30, 2010 11:32 AM To: 'John Fanning' Subject: follow-up after new design version

Deen Jelen

vear jonn,

Here you have some comments after the new release of graphical layout. Please take them just for you and make the decision you consider to be the best ones.

As you know, I expressed my appreciation and enthusiasm for the new version. But here are the detailed considerations:

Positive remarks:

- 1. The "aero" concept of the new design is admirable. It is very well aligned with the current trends in web design. It is an open&airy design. Nowadays users are looking for this kind of design and it is a good opportunity to use it once we decided to focus on content.
- 2. The color spectrum is well chosen, relaxing but it is also interesting enough to catch user's eye

Other remarks:

- 1. Removing the words Jerk / Saint from the rating description could be detrimental, because only red / green colors aren't intuitive and relevant enough
- 2. Keep in mind that 99,9% of our profiles are empty, so the profile page for an empty profile will look very poor. I added a profile page for such a profile just to have an impression
- **3.** The instrumental element of the website philosophy is "Search" functionality. Moving "Search" functionality in top right corner it decreases significantly its relevance. Think how would look Google with Search functionality moved in a corner and making it even smaller.
- 4. Removing the main menu (actually it has 13 links) could lead to content problems. Because we don't have too much content on website this menu offers valuable options for end user. Removing it probably will lead to a shorter time on page and to an higher bounce rate
- **5.** We didn't find the graphic solution to display quiz result. There is just graphic solution for displaying user's personality.
- 6. There isn't the possibility to vote someone without adding a comment
- 7. We didn't find payment area to promote a profile

These are our opinion after a first look. Hope they are useful.

Best regards,

email:	
tel:	

P Please consider your environmental responsibility before printing this e-mail

FTC-JERK0001999 CX0305-003

FTC-JERK0002000 CX0305-004

<profile_08.png>

CX0306

From:		Ø	
Subject:	Some things to think about		
Date:	May 3, 2010 at 5:07 PM		
To:	John Fanning ,		,

Hey all,

This is kind of random, but just some things I was thinking about instead of doing hw, and some things should consider for designs.

1) We need to put some more thought into our landing page. I really think we should have something like what Facebook has when you go to the site and are not logged in. The idea is to make it extremely easy for someone to create an account, because accounts are required to post reviews (this way users can track their reliability/helpfulness on reviews). It is very difficult to create an account on <u>Jerk.com</u>, and why even bother, because there is nothing about our current site that requires it.

To include:

a) A pretty graphic and ONE sentence that explains what Reper is.

b) Two ways to create an account: either enter an email address and a password, or connect with facebook.

c) I am thinking that initially, we may want to have a "no thanks, continue to <u>Reper.com</u>" so that people are not scared off by being required to create an account. Accounts are not required to view the site, but as soon as someone not signed in tries to write a review, they will be prompted to sign in or create an account. What are your thoughts on this? I am sure there are other ways to achieve this.

2) We need to decide this **now** before we go any further. Are reviews anonymous? Personally, I don't think they should be, and me reasons are summarized by the Unvarnished founder below:

"On Unvarnished, any professional can review any other professional. Unvarnished obscures the identity of reviewers-allowing reviewers to be more evenhanded and nuanced in their reviews, without fear of consequences, and making reviews more believable.

At the same time, reviewers, while not identified, do have identity and a reputation on the site, and gain authority over time through their highly-voted reviews and the creation of recognizable patterns within their professional network. All you need in order to leave a review is an Unvarnished account-which you create via Facebook Connect-which itself provides an identity.

We need to be clear about what we mean when we say "anonymous" here, in that this can be sensitive topic. To encourage candor, and allow review authors to contribute honest, balanced reviews without fear of repurcussion, Unvarnished obscures the identity of reviewer authors-a review author's identity will never be outwardly tied to a review they have been submitted. Furthermore, Unvarnished does not outwardly tie together multiple reviews submitted by the same user, in order to prevent the reverse-engineering of an author's identity.

However, reviewers are not anonymous to the Unvarnished backend systems-all reviews submitted by a given user are tied together in our systems such that better reviewers can be rewarded for their strong reviews, and reviewers who participate in bad behavior can be censured across all of their reviews.

Ultimately, reviewers do have identity on the site, and reputation and authority associated with that identity. Unvarnished wants reviewers to invest in that identity and associated authority, by rewarding strong reviewers by making all their reviews more authoritative, and by punishing badly behaved reviewers by demoting or, in egregious cases, removing their reviews-including their reviews that were submitted in good faith. If a reviewer is found to have violated Unvarnished Community Guidelines or Terms of Service, repurcussions will extend across all reviews authored by that user."

If reviews are anonymous

will need to modify nart of his design (marked in red).

FTC-JERK0002007 CX0306-001 If we use pseudonyms instead, like soccerdude13, it would be possible to "reverse engineer" someone's identity. For instance, if soccerdude13 has reviews for

, then you guys could probably guess that I was the person who wrote the reviews. For this reason, I am also against pseudonyms.

One idea is to use these silly blogger icons so users can see if the same person has written multiple reviews/comments on someones profile. However, to prevent reverse engineering, my blogger icon would be different on each profile that I wrote reviews on. I think this would help to stop spammers, though we would obviously stop excessive spamming through internal coding (Do the romanians know how to do this?).

3) We should have a slogan, especially with a name like Reper, so users understand what the site is about. **Solution** favorite for Jerk.com was "Jerk.com: Backstab your Best Friend." Any thoughts? I really like Yelps: "real people. real reviews", too bad its taken. Start brainstorming. "Reper: Know Thy Neighbor", "Reper: Your Online Reputation," "Reper: Because Jerk.com was too expensive"... mine aren't very good

4) Merit Rewards/Titles for people who post lots of reviews. This will get all the 30 year olds living in the basement of their mother's house addicted to our site. Also, even though we're probably not using names or pseudonyms, a way to view a reviewer's history and stats. To include: # of reviews, % of reviews found helpful/unhelpful, # of disputes. Yelp and Ebay do this very well. Perhaps this can just be included next to wherever a review is posted.

Thats all for now. Please respond for some input and so that these ideas don't fall through the cracks. Reply with 1) 2) 3) etc.



FTC-JERK0002009 CX0306-003

FTC-JERK0002010 CX0306-004

CX0307



Amazingly I had exactly the same idea and spoke to and old friend of mine about doing it. I think he could be a perfect fit talent wise. I asked him if he wanted to write a few reviews, and I think he might do something soon. He was looking at the jerk.com site, I did not mention the reper.com site but it's the same idea. I will let you know when I hear back from him.

john

John W Fanning Chairman Netcapital



INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From:

Sent: Thursday, May 06, 2010 9:23 PM To: John Fanning Cc:

Subject: Re: follow-up after new design version

I agree, we can (and must) set the tone for our site. , would it be possible to pay our early adapters some money for each review they write?

On Apr 30, 2010, at 10:48 PM, John Fanning wrote:

The idea I have had for a while but never had the right time to communicate is that I think you accomplish this goal by training the users. I look at and ask how does everyone know exactly how to tell their story. The answer is they see how everyone else does it. Then the question is how did the first person know what to do, the answer is the company did it. You train people by showing them what they need to do, on the first page they see. That means someone has to actually right reviews/profiles possibly of famous people, and I think politicians could be good as well and publish them. Then they have to be crowd sourced to the top of the best list so that users see them and know how to create their own. I don't think we have any duplicates in the database. I think you don't understand how truly large 85 million is. If you tried

FTC-JERK0002047 CX0307-001 to count to 85 million you could not do it in your lifetime. My understanding is that each profile has a unique facebook id associated with it. We can check this however if we have some names that we suspect might be duplicates. As far as the crap goes, I don't see any harm in leaving stuff there if we are just not promoting it on places people are likely to see. Our users can clean up profiles they don't like and people can dispute away stuff. Having said that, I think is planning to start from scratch without any of that content. We are really A/B testing jerk.com and reper.

Here is what I propose, and I want you to respond to this. We should delete all comments from our current profiles, remove all duplicate profiles, and start fresh from our already existing abundance of profile names. I can design what an empty profile will look like... I suggest something like what facebook does for new profiles that encourages people to get started by posting reviews. Besides, the purpose of our new design is to move away from comments and towards full-length reviews. Comments can then be applied to these reviews. I don't see how our current comments will fit into our new design.

John W Fanning Chairman Netcapital

a status services subserved

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of <u>Netcapital.com</u> LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of <u>Netcapital.com</u> LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From: Sent: Friday, April 30, 2010 7:26 PM To: John Fanning Cc: Subject: Re: follow-up after new design version

Here are my comments (below). Also, we should start including in these emails so he can stay in the loop,

On a side not, I am still very worried about the capability to get this right. John, I think you mentioned they are starting next week, but personally I don't think we should start until we have thought every little detail through with design. There are still some pages missing, the less trivial ones likes FAQ, About, Terms and Conditions. Got to run to dinner, but please read everything below

FTC-JERK0002048 CX0307-002

Розитие remarks:

- The "aero" concept of the new design is admirable. It is very well aligned with the current trends in web design. It is an open&airy design. Nowadays users are looking for this kind of design and it is a good opportunity to use it once we decided to focus on content. I don't know what this means, but thanks.
- 2. The color spectrum is well chosen, relaxing but it is also interesting enough to catch user's eye

Really? I thought the white stuff dripping off of our current jerk logo was 10x more eye-catching than what is producing :)

Other remarks:

1. Removing the words Jerk / Saint from the rating description could be detrimental, because only red / green colors aren't intuitive and relevant enough

He does bring up a good point, but I disagree. I think red/green is pretty intuitive for ratings, red being the color of a big, fat F letter grade that **set of** gets on all his paper assignments. Users will easily realize that green is a good color due to the postive reviews associated with it. However, we may need to come up with some new wording to describe someones reputation instead of Jerk/Saint. I can see this as a problem on our homepage where we currently have Jerk news, and top 100 jerk/saints. Any ideas? I mean, we could just keep using the word Jerk, except without the domain name, the word somehow seems a little more offensive or aggressive to me.

2. Keep in mind that 99,9% of our profiles are empty, so the profile page for an empty profile will look very poor. I added a profile page for such a profile just to have an impression

Another good point. And personally, of that .1% of non-empty profiles, the content on them is complete crap. "This guy is gay" and "that skank is ugly" is not useful to me or anyone, and it is NOT what this site should be about. We need to provide useful information about people with thorough, critical reviews. Short little comments can then be applied to these reviews. Also, on celebrity profiles, there are 100+ comments pulled from some news sources that are not relevant at all... this is more garbage.

Here is what I propose, and **I** want you to respond to this. We should delete all comments from our current profiles, remove all duplicate profiles, and start fresh from our already existing abundance of profile names. **Second** can design what an empty profile will look like... I suggest something like what facebook does for new profiles that encourages people to get started by posting reviews. Besides, the purpose of our new design is to move away from comments and towards full-length reviews. Comments can then be applied to these reviews. I don't see how our current comments will fit into our new design.

3. The instrumental element of the website philosophy is "Search" functionality. Moving "Search" functionality in top right corner it decreases significantly its relevance. Think how would look Google with Search functionality movied in a corner and making it even smaller.

FTC-JERK0002049 CX0307-003 типсионалку точей пла согнегани тнактир и ечен згланет.

I think what we have is fine. Plenty of sites have their search in the top right, and design is much bigger and stands out more than what facebook has. We could have a search in the center on our first-time landing page, like this,

. His comment on google... I use google chrome, so when I want to google something I just type it in the URL box. For other browsers, I feel like most people have the google search plugin in the top right corner... People are used to this. The reason google has a search in the center is because there is nothing to display on their landing page. As soon as google displays search results, the search bar goes to the top.

4. Removing the main menu (actually it has 13 links) could lead to content problems. Because we don't have too much content on website this menu offers valuable options for end user. Removing it probably will lead to a shorter time on page and to an higher bounce rate

Links for Jerk of the Day, Jerk news, Top 100 Jerks, and Top 100 Saints (4 total) are unnecessary because these are already displayed on the homepage. In fact, i'm surprised why we still have them in the first place. Post a Jerk and Tell a Story (2, total 6) still say "under construction". What purpose does this message serve? These are unprofessional and should be removed until they are actually implemented. Are you a Jerk, Rate a Date, and Business Feedback (3, total 9) should all be removed because they are found when you go to someone's profile, and I don't think the current versions work effectively... They seem too indirect, I shouldn't have to go to a separate link to post something on someone's profile. Track People, Fine People I know, Home, and Post a Jerk (4, total 13), are the only ones worth considering to keep.

Find people I know should not be a permanent header because I think it is more of a 1-time thing for new users. Perhaps we can replace it with a facebook connect button. Question: when you click Find People I know, does Myspace, Twitter, Linked in, and the other 100 sites titled "Other" work the same was as facebook does? I'm sure each site has a different policy about privacy. I haven't tried, but I doubt these links even work. We may just want to stick with Facebook.

We are missing the point. The point is to track numbers and behavior, and let that guide our changes.

5. We didn't find the graphic solution to display quiz result. There is just graphic solution for displaying user's personality.

will address this. $\frac{1}{12731}$, click <u>http://www.jerk.com/profile.php?</u> <u>id=12731</u> and then click my Personality tab so you can get an idea of how long each category description is.

6. There isn't the possibility to vote someone without adding a comment

We need to put more thought into our algorithm. I think people who write reviews should have a heavier influence on someone's score than someone who clicks "thumbs up" a bunch of times. This may work to drive traffic. If someone writes a bad review, and there are no other reviews, the person will obviously have a bad score. This person will want to ask his/her friends to write a positive review for them, which will then average out the first bad review.

7. We didn't find payment area to promote a profile

I don't like the idea of heing able to nav to make comeone's reputation

FTC-JERK0002050 CX0307-004
worse. This sounds morally wrong. I know money is an issue, but this early on, I don't want something like this to prevent people from using the site. What was facebook's business plan when they first started out? Oh yeah...

We do need to be discussing this though.

On Apr 30, 2010, at 12:05 PM, John Fanning wrote:

Here is some feedback from the **sector** for what it's worth. Most of what he says are choices we intentionally made but it's still worth sending.

john

John W Fanning Chairman Netcapital



INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of <u>Netcapital.com</u> LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of <u>Netcapital.com</u> LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From:

Sent: Friday, April 30, 2010 11:32 AM To: 'John Fanning' Subject: follow-up after new design version

Dear John,

Here you have some comments after the new release of graphical layout. Please take them just for you and make the decision you consider to be the best ones.

As you know, I expressed my appreciation and enthusiasm for the new version. But here are the detailed considerations:

Positive remarks:

- 1. The "aero" concept of the new design is admirable. It is very well aligned with the current trends in web design. It is an open&airy design. Nowadays users are looking for this kind of design and it is a good opportunity to use it once we decided to focus on content.
- 2. The color spectrum is well chosen, relaxing but it is also interesting enough to catch

FTC-JERK0002051 CX0307-005 user's eye

Other remarks:

- 1. Removing the words Jerk / Saint from the rating description could be detrimental, because only red / green colors aren't intuitive and relevant enough
- 2. Keep in mind that 99,9% of our profiles are empty, so the profile page for an empty profile will look very poor. I added a profile page for such a profile just to have an impression
- **3.** The instrumental element of the website philosophy is "Search" functionality. Moving "Search" functionality in top right corner it decreases significantly its relevance. Think how would look Google with Search functionality moved in a corner and making it even smaller.
- 4. Removing the main menu (actually it has 13 links) could lead to content problems. Because we don't have too much content on website this menu offers valuable options for end user. Removing it probably will lead to a shorter time on page and to an higher bounce rate
- 5. We didn't find the graphic solution to display quiz result. There is just graphic solution for displaying user's personality.
- 6. There isn't the possibility to vote someone without adding a comment
- 7. We didn't find payment area to promote a profile

These are our opinion after a first look. Hope they are useful.

Best regards,



P Please consider your environmental responsibility before printing this e-mail

<profile_08.png>

FTC-JERK0002052 CX0307-006



John,

not to beat a dead horse (he says while holding a hammer over a dead horse), but I wanted to provide you with what I was going off of. I posted the string in order below (a few missing because not relevant to the discussion. It's really this line at the beginning of your email at the very bottom that I was going off of as a response to my original question about 6k/ month.

"I told you I agree with you about 6k per month but I have to find the money, which I am confident I will, but have not yet."

I've shifted client work away for the next couple months to really focus on reper. I mean REALLY focus on it.

From:

Sent: Thursday, May 13, 2010 10:07 AM

Can you allocate \$6k for me for this month and another \$6k for next month? That would put me on a solid 80 hours (2 weeks of work) at our reduced rate per month. I've exhausted the other funds (FYI: I can always give you the hour breakdowns of work I have done whenever you want them, I time every process by the hour).

I have to be honest, after the meeting yesterday I would sort of love to invest full time in reper. The guys seem pumped and I like being able to take my gloves off and really push reper in a different way from what is going on on jerk.com. But I need to keep the other clients coming for the sake of supporting the fam.

Thanks again for the meeting. Please let me know what we can do about payment.

From: John Fanning Subject: RE: Good meeting

I did read the message, and I was very happy to have received it. I took the amount of money we have available, budgeted the money to last until the end of august, which included 2k per month for you, Paid on the first. However, I am confident I can bring in additional capital soon, possibly enough to have you work full time or more, but it's not done yet, and I was stalling for more time.

john

From: Sent: Thursday, May 13, 2010 11:35 AM To: John Fanning Subject: Re: Good meeting

Hi John,

so the 4k you paid me was meant to last from February through August? That's about how much a client pays me for a banner ad. You're really bending me here John. Half pay, no contract, no discussion of shares of business. I really love your pep talks but feeling like whenever i'm ready to step on the gas I get a bit of a kick in the gut. You can see where I'm coming from right?

From: John Fanning Subject: RE: Good meeting Date: May 13, 2010 12:42:13 PM EDT To:

No, I paid you 4K already, 2k June 1st 2K July 1st 2K August 1st 2k September 1st which is 12k. I told you I agree with you about 6k per month but I have to find the money, which I am confident I will, but have not yet.

no contract, no discussion of shares of business

This is not accentable. I am hanny to have an acceement in writing in place that we both find accentable, and it has just slipped through the



cracks that Its not been done. For every hour you worked you are entitled to \$75 worth of shares at the valuation set by the next money in. We have an agreement that explains how that works which I thought I sent you. However in addition to that I am also in agreement with you, that we should have a further discussion about equity and I am happy to have it.

Probably the tone of my email is not best, but if so please call me. BTW, things written in email are just as legally binding as things written in what you might typically consider a contract. I might fail, and we might fail together, but I would never try to screw you, and would also use my best efforts to make sure no one else screwed you. In addition to that everyone loves working with you.



Jerk and reper are one company, which at the moment is named jerk.com LLC. We could change it to reper Inc or something like that at some point as that seems more corporate. Yes, I am talking about jerk/reper. As far as whole company objectives, what I meant was, 1. Build out team. 2 Raise capital. 3 Drive Traffic 4. Build Brand.. things like that and other things you would think of.

john

John W Fanning Chairman Netcapital



INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From:

Sent: Friday, May 14, 2010 9:03 AM To: John Fanning Subject: Re: Basecamp

Well, I'm not sure what you mean by "whole company objectives." Are we talking reper, are we talking jerk? are we talking NetCapital (I assume we are not). I WOULD post it in a forum for us to come back to. Basecamp has a tab called "Writeboards" which is a good place for writing content. "Objective" documents would be good there. But then again, I would never have eight people writing an objective :)



On May 14, 2010, at 8:54 AM, John Fanning wrote:

Imagine you were the ceo, what would you do?

FTC-JERK0002190 CX0309-001

John W Fanning Chairman Netcapital



INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of <u>Netcapital.com</u> LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of <u>Netcapital.com</u> LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From:

Sent: Friday, May 14, 2010 8:51 AM To: John Fanning Subject: Re: Basecamp

I've been thinking about it in terms of what aids us in execution, which sometimes means "theory or philosophy" of what we are doing. A central repository that is east to look back at to follow the discussions we have. But you're welcome to do what you want to do.



On May 14, 2010, at 8:48 AM, John Fanning wrote:

Do we use basecamp for the whole company objectives or just the development objectives?

john

John W Fanning Chairman Netcapital



FTC-JERK0002191 CX0309-002

john

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of <u>Netcapital.com</u> LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of <u>Netcapital.com</u> LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

> FTC-JERK0002192 CX0309-003

Reply ABOVE THIS LINE to add a comment to this message

Project: <u>reper: website</u> Company: NetCapital



John Fanning commented on the message: <u>6/7 phone call notes</u>

I am on board with your direction for reper however you analysis of jerk.com is off.

"is in Jerk's DNA (its name) to showcase the Jerk's of the world. So for Jerk's purposes, I like the idea of top 100 Jerks, but with Reper I want to stick to people who are going to be relevant to the user."

This is true today, clearly but I disagree its dna due to jerk.com. I asked you to reflect on this specific point on the phone while you were on the bus. I think Jerk.com can be the jerk, not a jerk authority. The more clear we can make that the less we become, if you are on jerk.com you are a jerk. Are you a jerk yes/no Are they a jerk yes/no This I think is fundamentally different than, look at the jerks.

I am thinking of new Jerk/Not a jerk/ Saint where saints would only be people in the 95% bracket.

You are wrong.

"Correct me if I'm wrong, but John seems to think that all of our value is in numbers – 85 million. But this is missing half the point. Value comes in the form of content, which can be measured by numbers, and in my eyes, ~84,999,000 empty profiles is not considered a whole lot of valuable content. If anything, it indicates a possibility of what is yet to come, and I think this is why every VC has essentially told us "come back when can prove this is real content." If we can tell them we have 1 million profiles with an average of 10 reviews on each profile, now we're talking some serious business. My problem with using Facebook Connect to generate thousands of empty profiles is that it quickly deflates our actual numbers. If someone searches for a name and it doesn't show up in search results, design is plain and simple, just click "add new profile."

All the value is in numbers, but I never said the 85M number, I said the traffic numbers, and even further the growth in traffic. You seem to harp on the evil 85M so I will explain why 85M profiles that seem empty create traffic. 500 people came to Jerk.com because we had those profiles and that number is growing dramatically. The bounce rate shows that 85% of people will click on at last one answer to a pop up question. We are becoming the leading place to deposit your opinions on people, and that means traffic. Clearly the execution is horrible, and we can do better but the way I would like to create that change is by the numbers. You

FTC-JERK0002442 CX0317-001 tell me, this particular number is bad, then together we find a way to improve that number. Data is our friend.

Stop receiving emails when comments are posted to this message

Prefer plain text emails?

Delivered by Basecamp

FTC-JERK0002443 CX0317-002

We need to grow our traffic. Linked in is valued on traffic.



CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From:	
Sent: Wednesday, July 28, 2010 10:20 AM	
To:	

Subject: Let's make this happen! Importance: High

The bar has been set...

LinkedIn has 70 million members who use the site to get information about and connect with people. Their valuation is now **\$2 billion**. Jerk.com has 85 million profiles and growing. Reper.com will have that and more. Now, we need to keep them coming back to our sites and we will enhance the lives of those we serve and change the lives of ourselves and our families in ways that exceed our wildest dreams!

Check out this article...

http://www.bloomberg.com/news/2010-07-27/linkedin-valued-at-more-than-2-billion-afterinvestment-by-tiger-global.html

We are in the right space at the right time, but time is of the essence.

Get excited, dig deep, get focused and let's make this happen!

Thanks for being part of the team!

FTC-JERK0002930 CX0344-001



Subject: RE: Site down Date: July 28, 2010 at 5:47 PM To: Cc: John Fanning	From:	
To:	Subject:	RE: Site down
	Date:	July 28, 2010 at 5:47 PM
Cc: John Fanning	To:	
	Cc:	

ISP is the internet service provider, its not the first time its happening with jerk.com. Jerk and Reper talk to the same database.

I have been checking on both the sites, Reper loads up but does not function becuase the Jerk server is down. I assume that the Jerk server is down due to ISP, where the server is located.

Best Regards,

Subject From:	t: Re: Site down
	Wed, 28 Jul 2010 17:28:56 -0400
CC: To:	john
in the f	does an ISP problem mean? What causes this. Is there a way of knowing how to prevent this future? 28, 2010, at 5:00 PM, Control wrote:
	Hello
	It's an ISP problem, <u>Jerk.com</u> is down too.
	Please wait for a few minutes and try back.
I	Best Regards,
,	
	From: Subject: Site down Date: Wed, 28 Jul 2010 16:54:26 -0400
	CC: ; john ; john ; To:
	I was testing reper.com and making bug reports when the site stopped altogether. I

FTC-JERK0002936 CX0345-001

FTC-JERK0002937 CX0345-002



Can you please get it back up?

can no longer access reper.com

. . .

. .

--



I think I should add legal to the questions I answer.



CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From:	On Behalf Of
Sent: Thursday, August 05, 2010 10:48 AM	
To:	
Subject: Questions	

Team,

We need answers to these common questions:

- 1. Can we get sued if someone writes something bad about someone? The communications decency act provides our company with Absolute Immunity from Liability for things posted by our users. In fact the courts have sanctioned people who have tried to sue web sites for things posted by its users dismissed the lawsuits and made them pay all the web sites legal bills. This is the most common outcome.
- 2. Can the person get sued who wrote the bad review? Yes, the liability of the poster does not change, but we do allow people to post both signed and unsigned.
- 3. What is the process for removing a review? Each web site uses different techniques to deal with conflict. Our database keeps as much data as possible for future use by the company.
- 4. How is the Reper score calculated?
- 5. What is the information that we have received from the 85 million profiles? We collect as much info as possible. From public sources, from other users, from private sources like **1000**, and from the users themselves. We don't place any restrictions on how we can use our information.
- 6. What will the iPhone app v.1 tell us about a person? Jerk.com info, reper info, facebook page.
- 7 What are the missess implications of talting mistures without mountained Armouring a margaret

FTC-JERK0003080 CX0352-001 7. what are the privacy implications of taking pictures without permission/knowing a person? There are none, it's called paparazzi.

Who has them?

Thanks,



FTC-JERK0003081 CX0352-002





Am I a jerk is different than Are you a jerk. If it says Am I a jerk, you would expect to click the link and see people writing stories where they ask the users to decide. If it says Are you a jerk? That's a pretty direct question that you expect that someone is going to tell you the answer to if you click the link, which is what that's supposed to be about.

john

John W Fanning Chairman Netcapital



CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

FTC-JERK0003193 CX0357-001

From:	John Fanning	Ø	
Subject:	RE: jerk.com iphone app		
Date:	February 3, 2011 at 9:00 AM		
To:			
Cc:			

Also I don't believe you actually removed all the duplicates from the database as you were required and promised to do.

john

John W Fanning Chairman Netcapital



CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property of Netcapital.com view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From:	
Sent: Thursday, February 03, 2011 2:21 AM	
To: 'John Fanning'	
Cau	

Subject: RE: jerk.com iphone app

Dear John,

As we underlined in a previous email, the populating of current profiles it's a work in progress operation. There are 80 million profiles to add to the database. Currently it's at 20million.

Will take more days to populate face recognition database with all pictures.

We will announce when the database is completely populated.

Best regards,



P Please consider your environmental responsibility before printing this e-mail

FTC-JERK0003834 CX0360-001 From: John Fanning [mailto: Sent: Thursday, February 03, 2011 7:27 AM To: Cc: Subject: jerk.com iphone app

I took a picture of the jerk of the day and the iphone app did not find them, which makes me wonder, who does it find.

john

John W Fanning Chairman Netcapital

,



CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

> FTC-JERK0003835 CX0360-002

From: Subject: Jerk + reper h story Date: August 3, 2011 at 2:58 PM To: John Fann ng

Ran across th s wh e rev ew ng photos. Was sure th s was go ng to be a moment for the h story books where reper and jerk were about to EXPLODE - fund ng ca w th





FTC-JERK0003891 CX0361-001

Ø

UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

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.		
	<u>APLIANCE AND RECORDS</u> 3 U.S.C. § 1746	
1. I,_	(name and/or title) have	
personal knowledge of the facts set forth	below and am competent to testify as follows:	
2. I have authority to certify and hereby cer	tify the authenticity of the records produced by	
	(company, person, or "myself")	
and attached hereto.		
3. On behalf of	(company, person, or	
("myself") hereby certify that	1	
(company, person, or "I") used My	(its, his, her, or my) best efforts to respond to the	
Federal Trade Commission's Subpoena ("Subpoena").		
T	(company, person, or "I") conducted	
a reasonable search and provided all doc	uments and information in $\underline{\mathcal{MY}}$ (its, his, her,	
or my) possession, custody, or control th	at are responsive to the requests contained in the	
Subpoena and substantially complied with	th those requests.	

FTC-JERK0004134 CX0362-001

- The documents produced and attached hereto by Me
 (company, person, or me") in response to the Subpoena are originals or true copies of records of regularly conducted activity that:
 - a. Were made at or near the time of the occurrence of the matters set forth by, or from information transmitted by, a person with knowledge of those matters;
 - b. Were kept in the course of

My	_ (company's,
person's, 'my") regularly conducted business activity; and	
Were made by the regularly conducted activity as	

person's, "my") regular practice. (company's,

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

Executed on	-10/y 15	, 2014



FTC-JERK0004135 CX0362-002

CX0367 MARKED CONFIDENTIAL REDACTED IN ITS ENTIRETY

7/4/2014

Gmail -

GMail	
slide deck	
John Fanning To:	Mon, Sep 6, 2010 at 10:14 PM
Can you send me the slide deck we used at for reper?	
john	
John W Fanning	
Chairman Netcapital	
CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.	
INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including	
any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC	
© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is	
protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and	
retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not	
use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any	
information from this email in whole or in part without our prior written permission. If you wish to obtain permission to	
reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.	

>

To: John Fanning

Wed, Sep 8, 2010 at 11:55 AM

FTC-JERK0004182

CX0368-001

1/5

7/4/2014	Gmail - slide deck
Sorry John just saw this.	
Please see attached.	
I hope all is well. [Quoted text hidden]	
Investor_Presentation_final.ppt 10267K	
John Fanning To:	> Wed, Sep 8, 2010 at 1:09 PM

Can you give this presentation if it's just you and me? Are you willing to do that assuming you are getting paid in cash?

john

John W Fanning

Chairman Netcapital

.



INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and ratain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not

2/5

FTC-JERK0004183 CX0368-002 Gmail - slide deck

use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any

information from this email in whole or in part without our prior written permission. If you wish to obtain permission to

reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From: [mailtoi] On B Sent: Wednesday, September 08, 2010 11:55 AM To: John Fanning Subject: Re: slide deck	Behalf Of
[Quoted text hidden]	
John Fanning >	Wed, Sep 8, 2010 at 2:03 PM
When you left, they moved to a different project. I would still get eithe but at this point it's all about closing capital.	, or to come to present,
john	
John W Fanning	
Chairman Netcapital	
CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.	
INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including	
any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC	
© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is	
protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and	
retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not	
use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any	

CX0368-003

information from this email in whole or in part without our prior written permission. If you wish to obtain permission to

reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From:

Sent: Wednesday, September 08, 2010 1:52 PM To: John Fanning Subject: Re: slide deck

As we discussed last week, I want to have the in-person team meeting before deciding on my involvement. You mentioned you were scheduling the meeting for this week.

Am I the last man standing? I think the person you really need is the data mining person...

On 9/8/10 1:09 PM, "John Fanning" wrote:

Can you give this presentation if it's just you and me? Are you willing to do that assuming you are getting paid in cash?

john

John W Fanning Chairman Netcapital



CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From: Sent: Wednesday, September 08, 2010 11:55 AM To: John Fanning Subject: Re: slide deck On Behalf Of

Sorry John ... just saw this.

4/5

FTC-JERK0004185 CX0368-004
7/4/2014

Gmail - slide deck

wrote:

Please see attached.

I hope all is well.

On Mon, Sep 6, 2010 at 10:14 PM, John Fanning

Can you send me the slide deck we used at for reper?

john

John W Fanning Chairman Netcapital



CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.



Location





Reputation Information for Everyone



FTC-JERK0004188 CX0368-007

Additional Resources

- Engineering Teams
 - Romania
 - India

- 3 member team that specializes in visualization of social media data - (here today)



-тс-јегкооо4189 СХОЗ68-008

терог

Today's Update

- Where we've been...
 - Jerk.com
- Where we are...
 - Reper.com
- Where we are going...
 - Profile Matrix Engine

Teper

Why This Matters



On the Web's Cutting Edge, Anonymity in Name Only WSJ August 4, 2010

"Calculating "bits" gets complex, as some facts about a person are more valuable—and thus have more "bits"—than others. ZIP codes and birthdates, for instance, are extremely valuable when zeroing in on individuals."

гтс-јеккооо4191 СХ0368-010

Teper

Personal Content Is the new Google

In March 2010, Facebook surpassed Google in web traffic



FTC-JERK0004192 СХ0368-011

Teper

Where we have been



In less than six months, Jerk.com:

- Grew to over 85 million personal profiles
- Grew significantly in organic traffic
- Regularly shows up in the 1-5 result position on Google.

Established revenue partnership:



Products and services ranging from basic people search and list management to comprehensive HR background checks and one of the best identity theft protection products available.

repor

Where we are... TCPST

During the summer of 2010, we began scoping and initial development work around the launch of Reper.com. Reper.com is the world's first independent individual reputation site that gathers both front-end and back-end reputation information. ERROR: limitcheck OFFENDING COMMAND: image



7/4/2014



Subject: Are you a jerk?

John Fanning	Wed, Aug 25, 2010 at 3:30 PM
To: Co:	

I know how excited you were about this project in the spring; I was hoping you wouldn't mind too much if I sent you an update. If you are willing to provide a little guidance and feedback I am willing to forgive you for not knowing how great this company will become! We seemed to lose momentum with when we asked him for 50K as an advance. He wasn't really up for that so we have had to go back to our original plan that you did not like and deal with VCs. We do have two top tier Vcs interested in playing in the deal as well as an International VC and a very high profile Angel.

Here is the update:

We've been very busy the past few weeks working on the Reper alpha. We built the reper.com brand to use for corporate partners who thought the jerk.com brand was a little too edgy for their tastes. We may even rename the company Reper and keep the jerk.com brand as a product owned by that company. Anyway, we've been building a lot of momentum specifically in the areas you suggested so I thought it would be good to outline our progress on the team, partnerships, and user growth with you.

On the personnel front we have added a few key people that significantly strengthen our team:



We have also been making significant progress on the partnership front:

- We are working with to build a facial-recognition iPhone/Android application. Similar to hot apps like Shazam for music, this application would use the built-in camera to find information about a specific person. This app will link people's faces to their Jerk.com Reper, and facebook profile. An app like this holds significant promise for high-traffic and viral advertising.
- If you interested in learning more about the space for online reputation, I highly recommend
 We have been meeting with personally and have a deal with his PR
 Firm, (located in). Specializes in social media PR, and will be helping us improve the
 language and message distribution for Reper and jerk.com.
- We have been in discussions with **Example**, founder of **Example**. We recently launched our strategic relationship with a 50/50 distribution deal signed with them this month. We are excited to work together to build our <u>site</u>, product and traffic collaboratively moving forward and ultimately take the relationship to a higher level.
- We have scheduled a presentation in September to explore possible government sponship and revenue opportunities.





As you know, our first entry into the reputation space was Jerk.com - an edgy site that allows people to vote if someone is a saint or a jerk as well as provide other qualitative data on individuals. The " Are you a Jerk? "question for instance really grabs peoples interest and attention. Even in its alpha stage jerk.com has proven out our user acquisition and SEO techniques. In the first 6 months of Jerk.com's launch:

- Awesome viral user acquisition Our database has grown to over 85 million profiles.
- **Powerful SEO** We regularly show up among the top 1-3 search results on search engines like Google when someone searches a person's name who is in our database. What's more interesting is that we aren't paying Google for traffic, whereas companies like pay millions per week for Ad Words. I can send you a long list of names if you would like to give it a try. We had over 1000 people yesterday come to jerk.com from this method.
- Traffic effect from facebook engagement. As we agreed in the spring we ramped up our efforts to get more engagement from users, and more traffic from social networks. Here is a graph that shows how we have done.

Finally, I have not made it back to the seattle area yet but will surely ping you when I do. If you would like to catch up on our progress in other areas like financing and buzz please suggest some times to meet or connect via phone. I would love you have you reengaged via phone, or if you come to Boston you could swing by our offices on the

Thanks, John

John W Fanning

Chairman Netcapital



CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including

FTC-JERK0004295

CX0375-002

any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC

© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is

protected by U.S. and international copyright and other intellectual property laws. You may view, downloac, print and

retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not

use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any

information from this email in whole or in part without our prior written permission. If you wish to obtain permission to

reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.





Racepoint Proposal for Reper

10 messages



Please find attached our proposal for Reper. We had a lot of fun pulling this together and we hope that excitement and creativity comes through in the communications ideas. Once you and have had a chance to review, we're happy to schedule a call or meeting to review/answer any questions.

We look forward to your feedback and discussing next steps,

Connect with	
Reper Proposal Final 8-11-10.pdf 2514K	
To: John	Thu, Aug 12, 2010 at 10:52 AM
We need to figure out if we are going to engage them and when.	

FTC-JERK0004429

CX0378-001

7/4/2014

Gmail - Racepoint Proposal for Reper

[Quoted text hidden]

7	Reper	Proposal	Final	8-11-10.pdf
	2514K			

John Fanning To: Thu, Aug 12, 2010 at 11:11 AM

Do we have this for jerk.com? reper is not in production.

john

John W Fanning

Chairman Netcapital



INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including
any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC
© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is
protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and
retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not
use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any
information from this email in whole or in part without our prior written permission. If you wish to obtain permission to
reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From:	On Behalf Of
Sent: Thursday, August 12, 2010 10:52 AM	
To:	
Subject: Fwd: Proposal for Reper	
	2/

FTC-JERK0004430 CX0378-002 7/4/2014

[Quoted text hidden]



To: John Fanning Thu, Aug 12, 20 Nope Sent from my iPhone [Quoted text hidden] Thu, Aug 12, 20 Thu, Aug 12, 20 Why? john John W Fanning Chairman Netcapital Chairman Netcapital CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.	
Nope Sent from my iPhone [Quoted text hidden] Thu, Aug 12, 20 Why? john John W Fanning Chairman Netcapital	10 at 1:13 PM
[Quoted text hidden] Thu, Aug 12, 20 To: Why? john John W Fanning Chairman Netcapital	10 at 1:13 PM
To: Why? john John W Fanning Chairman Netcapital	10 at 1:13 PM
john John W Fanning Chairman Netcapital	
John W Fanning Chairman Netcapital	
Chairman Netcapital	
CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.	
CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.	
CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.	
CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.	
CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.	
CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.	
CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.	
CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.	
INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including	
any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC	
© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is	
protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and	
retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not	
use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any	
information from this email in whole or in part without our prior written permission. If you wish to obtain permission to	
reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.	

7/			

From: Sent: Thursday, Augu To: John Fanning Subject: Re: Racepo		
[Quoted text hidden]		
To: John Fanning <	>	Thu, Aug 12, 2010 at 1:36 PM
Because when we sta	rted this, we were launching Reper. Th	at was where the focus was.
Do you want another p	blan for Jerk?	
Is that the deal you w [Quoted text hidden]	ant to cut with	
John Fanning <] To:	>	Thu, Aug 12, 2010 at 2:35 PM
think about them at t launch. In my view th need to launch and w	he same time. This is premature for renative for renative the mistake	at we wanted to start with jerk.com or at least eper. Its old school build the product do a big made. Lot of flash, no PROVEN substance. We the engine behind it. Having said that, jerk.com is stair is done with the facelift.
john		

John W Fanning

Chairman Netcapital



CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including

any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC

. 4/6



Gmail - Racepoint Proposal for Reper

© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is

protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and

retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not

use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any

information from this email in whole or in part without our prior written permission. If you wish to obtain permission to

reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

[Quoted text hidden]	
[Quoted text hidden]	
o: John Fanning <	Thu, Aug 12, 2010 at 2:50 PM
I would not spend a dime on either at this stage.	
Let's see what the facelift looks like.	
Sent from my iPhone [Quoted text hidden]	
ohn Fanning <	Thu, Aug 12, 2010 at 2:59 PM

OK! Now we are talking. Given that view I understand now. We thinks we are onto something though so lets talk this through. I have a lunch with the source of the source o

john

John W Fanning

Chairman Netcapital



.. 5/6

FTC-JERK0004433 CX0378-005

CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From:

Sent: Thursday, August 12, 2010 2:51 PM

[Quoted text hidden]

[Quoted text hidden]

To: John Fanning

Thu, Aug 12, 2010 at 3:14 PM

Ok [Quoted text hidden]



. 6/6

CX0387

7/4/2014

Gmail - bullets for



1/2

FTC-JERK0004667 CX0387-001

CONFIDENTIAL PRIVILEGED COMMUNICATION ALL RIGHTS RESERVED.

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including

any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC

© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is

protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and

retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not

use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any

information from this email in whole or in part without our prior written permission. If you wish to obtain permission to

reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

FTC-JERK0004668 CX0387-002

CX0394



Subject: Are you a jerk?

John Fanning	Fri, Jul 16, 2010 at 5:54 PM
Cc:	

I know it was hard to get you excited about this project in the fall but I was hoping you wouldn't mind too much if I sent you an update. If you are willing to provide a little guidance and feedback I am willing to forgive you for not knowing who the hell I was at your party :)

We've been very busy the past few weeks working on the Reper alpha. We built the reper.com brand to use for corporate partners who thought the jerk.com brand was a little too edgy for their tastes. We may even rename the company Reper and keep the jerk.com brand as a product owned by that company. Anyway, we've been building a lot of momentum specifically in the areas you suggested so I thought it would be good to outline our progress on the team, partnerships, and user growth with you.

On the personnel front we have added a few key people that significantly strengthen our team:

- has joined our executive team. was formally the CMO of an and who specializes in launching start-ups, and brings a unique blend of creative marketing and organizational and execution skills to our effort.
- joins our product team as a developer. I am especially excited with addition as he is receiving his PHD from and most recently developed a project called the which only touches the surface of his amazing talent.

We have also been making significant progress on the partnership front:

- We are working with to build a facial-recognition iPhone/Android application. Similar to hot apps like Shazam for music, this application would use the built-in camera to find information about a specific person. This app will link people's faces to their Jerk.com Reper, and facebook profile. An app like this holds significant promise for high-traffic and viral advertising.
- If you interested in learning more about the space for online reputation, I highly recommend book, We have been meeting with personally and have a deal with his PR Firm, where the language and message distribution for Reper and jerk.com.
- We have been in discussions with the recently launched our strategic relationship with a 50/50 distribution deal signed with them this month. We are excited to work together to build our site, product and traffic collaboratively moving forward and ultimately take the relationship to a higher level.

1/4



As you know, our first entry into the reputation space was Jerk.com - an edgy site that allows people to vote if someone is a saint or a jerk as well as provide other qualitative data on individuals. The " Are you a Jerk? "question for instance really grabs peoples interest and attention. Even in its alpha stage jerk.com has proven out our user acquisition and SEO techniques. In the first 6 months of Jerk.com's launch:

- Awesome viral user acquisition Our database has grown to over 85 million profiles.
- Powerful SEO We regularly show up among the top 1-3 search results on search engines like Google
 when someone searches a person's name who is in our database. What's more interesting is that we aren't
 paying Google for traffic, whereas companies like Intelius pay millions per week for Ad Words. I can send
 you a long list of names if you would like to give it a try. We had over 1000 people yesterday come to
 jerk.com from this method.

Finally, If you would like to catch up on our progress in other areas like financing and buzz please suggest some times to meet or connect via phone.

Thanks, John

John W Fanning

Chairman Netcapital



INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC © 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not

FTC-JERK0004887 CX0394-002 use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any

information from this email in whole or in part without our prior written permission. If you wish to obtain permission to

reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

From: Sent: Tuesday, July 06, 2010 1:12 AM To: 'john Subject: Re: lifelock

Its not the new york times. Its the new times. A little different -- its a weekly classifieds magazine in phoenix.

has shared his SSN billions of times. Many many many people have tried to scam him. And yet his credit report has no fraudulent reports on it, thanks to lifelock. In an attempt to discredit lifelock (which the new times has tried to do many times without a sjred of balanced reporting) they characterize the attacks as successful. But todd is protected so from the consumer's perspective lifelock works exactly as advertised.

But everyone likes a provocative report of scandal so when the grand, venerable New Times of Phoenix reports a scandal, lots of media will pick up the story without any verification of the headline.

From: John Fanning To: Sent: Mon Jul 05 22:55:40 2010 Subject: lifelock

Are you still denying this? The NYTimes can be very persuasive.

http://www.computerworld.com/s/article/9176951/LifeLock_CEO_said_to_be_victim_of_identity_theft_13_times

john

John W Fanning



INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including

FTC-JERK0004888 CX0394-003 any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC

© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is

protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and

retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not

use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any

information from this email in whole or in part without our prior written permission. If you wish to obtain permission to

reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.



4/4



CX0397

Gmail - don't mean to beat a dead horse, actually I think I do.

Gmail	
I don't mean to beat a dead horse, actually I think I do.	
John Fanning < To: Cc: H	

Sony go to meeting could not show this on your screen. I did not mean to confuse the issue with 85M profiles. Clearly the more public a person the less high we appear, but we show up first Lets reconnect next Monday if you have time, otherwise suggest some times to follow up.

john

FTC-JERK0004919 CX0397-001

7/4/2014

 ✓ Search Engines - Google... × @ VTech Contact Us
 ✓

 ✓ → C
 n

 ☆ http://www.google.com/search?source = ig&nl = en&rlz = 1G1GGLQ_ENUS250&q=

 Ø Suggested Sites
 @ Web Sites Gallery

 > Spring Water Cooler...
] BTjunkie

 Web Images Videos Maps News Shopping Gmail more ▼



John W Fanning

Chairman Netcapital



INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including

any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC

2/21

FTC-JERK0004920 CX0397-002

FTC-JERK0004921 CX0397-003

3/21

315	5.				3	5.00	00.00.51
316	6.				3	2.67	00 00 04
317	7.				3	3.00	00:00:08
318	В.				3	5.33	00:00:34
319	Э.				3	3.67	00.05:07
320	0				3	3.67	00 00 11
321					3	2.33	00 00 02
322	2.				3	3.33	00:00:02
323	8.				3	2.33	00:00:15
24					3	1.67	00.00.01
325	5.	I			3	4.33	00.00:09
326					3	3.33	00:00:13
		-					
327					3	2.33	00:00:09
328					3	5.33	00:00:18
329	e.				3	4.33	00:00:21
330					3	3.00	00:00:07
331					3	7.00	00:01:05
332	_				3	1.00	00:00:00
333.		-			3	3.00	00:00:03

retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any

protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and

7/4/2014

information from this email in whole or in part without our prior written permission. If you wish to obtain permission to

From: John Fanning [mailto:] Sent: Wednesday, July 07, 2010 1:54 PM To: 'd

Subject: google

reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved

© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital com LLC and is

Gmail - I don't mean to beat a dead horse, actually I think I do.

3	7.00	00:00:23	
3	7.33	00:03:06	
3	4.67	00:00:18	
3	2.33	00:00:11	
3	3.67	00.00.10	
3	3.00	00:01:47	
3	3.33	00:00:05	
3	10.33	00:00:55	
3	3.00	00 00 43	
3	4.00	00 00 18	
		4/21	
	FTC-JERK0004922		
	CX0397-004		

334. 3 2.33 00:00:09 335. 3 2.33 00:00:11 14.00 00:02:13 336. 3 00:01:19 337. 3 7.00 338. 3 7.00 00:01:17 3 3.00 00:00:09 339. 00:01:44 340. 3 10.33 341. 3 7.00 00:02:18 342. 3 3.00 00:00:04 00:00:10 343. 3 4.00 3 3.33 00:00:11 344. 00:00:27 3 5.33 345 3 5.00 00:00:14 346. وبي ا 00:00 26 3 5.67 347. 348. 349. 350 351 352 353. 354. 355 356.

357.

FTC-JERK0004923 CX0397-005

360.		3	3.33	00:00:37
361.		3	3.67	00:00:08
362.		3	5.67	00:00:08
363.		3	3.00	00:00:05
364.		3	5.00	00:00:19
365.		3	3.00	00:00 03
366.		3	11.00	00:01:27
367.		3	5.67	00:01:14
368.		3	3.00	00.00:02
369.		3	3.67	00.00.10
370.		3	3.00	00:00:05
371.		3	6.00	00:00:40
372	—	3	71.00	00:33:03
373		3	11.33	00:01:14
374.		3	15.67	00 09 51
375.		3	4.33	00.02.51
376.		3	9.00	00:00:42
377.		3	8.33	00:02:20
378.		3	2.67	00:00:27
379		3	2.33	00.00.01
380.		3	16.00	00:01:44
381.		3	2.33	00:00:06

5/21

Gmail - I don't mean to beat a dead horse, actually I think I do.

3

3

5.00

4.67

00:00:17

00 00 49

7/4/2014

358.

ſ

359.

FTC-JERK0004924 CX0397-006

7/4/2014	Gmail don't mean to beat a dead horse, actually I think I do.		
382.	3	12.67	00:01:28
383.	3	4.67	00:02:35
384.	3	9.67	00:00:31
385.	3	10.67	00:03:03
386.	3	1.67	00:00:02
387.	3	66.00	00:17:45
388.	3	10.00	00:01:50
389.	3	4.00	00:00:15
390.	3	7.00	00:02:52
391.	3	3.33	00:00:13
392.	3	7.00	00:00:26
393.	3	5.00	00:00:11
394.		4.00	00:00:29
554.		4.00	00.00.23
395.	3	4.00	00:00:09
396.	2 3	3.00	00:00:03
397.	3	3.00	00:00:11
398.	3	2.67	00:00:06
399.	3	34.00	00:21:16
400.	3	1.67	00:00:01
401.	3	5.33	00:01:42
402.	3	18.67	00:02:59
403.	3	1.00	00:00:00
404.	3	2.67	00:00.04
405.	3	4,67	00:00:27
406.	3	5.00	00.00.20
			6/21

. 6/21

407.		3	3.00	00.00 13
408.		3	11.33	00:04:21
409.	-	3	5.00	00:00:12
410.		3	9.33	00:08:33
411.		3	3.00	00:00:07
412.	• 🖚	3	5.67	00.00.17
413.		3	3.33	00.00:20
414.		3	4.67	00:02:06
415.		3	2.00	00:00:08
416.		3	1.33	00:00:15
417.		3	5.67	00:01:02
418.		3	3.67	00.00.02
419.		3	2.33	00:00:04
420.		3	3.33	OC:00:05
421.		3	6.00	00:00:35
422.		3	6.67	0C:12:31
423.		3	3.33	0C:00.05
424.		3	6.67	00:02:38
425.		3	3.67	00:00:18
426.		3	3.00	00:00:06
427.		3	1.67	00.02:12
428.		3	3.33	00.01.00
429.		3	24.00	00.04 19
430.		3	2.33	00:00:02

7/21

FTC-JERK0004925 CX0397-007
FTC-JERK0004926 CX0397-008

... 8/21

7/4/2014	Gmail - I don't mean to beat a dead horse, actually I think I do.		
431.	3	7.33	00.00:38
432.	3	7.67	00:00:49
433.	3	3.00	00:00:08
434	3	1.67	00:00:02
435.	3	2.33	00:00:10
436.	3	5.33	00:00:58
437.	3	8.33	00:02:21
438.	3	24.67	00:14:00
439.	3	2.67	00.00.07
440.	3	16.33	00:03:10
441.	3	2.33	00:00:07
442.	3	4.67	00:00:08
443.	3	3.67	00:00:02
444,	3	3.67	00:01 26
445.	3	3.33	0C-00-08
446.	3	4.33	OC:01:01
447.	3	1.67	OC:00:01
448.	jerk,com 3	2.67	00:00:02
449.	3	5.00	00.02.29
450.	3	3.00	00.00.03
451.	3	4.00	00.00.35
452.	3	2.33	00:00:11
453.	3	2.33	00:00:03
454	3	2.67	00.00.15
455.	3	3.00	00 00 05

00:02:34

00:00:05

9/21

8.33

3.00

459.	3	9.67	00:01:09
460.	3	4.00	00:00:09
461.	3	2.33	00:00:07
462.	3	4.33	00.00 14
463.	3	3.67	00:00:24
464.	3	5.33	00:03:09
465.	3	8.67	00:00:19
466.	3	5.00	00.01.18
467.	3	6 33	00 01 12
468.	3	1.33	00:00:01
469.	3	7.00	00:01:48
470.	3	5.00	00:00:28
471.	3	11.67	0C-02-05
472.	3	3.00	DC: 00: 04
473.	3	3.00	0C:00:06
474.	3	7.33	00:00:55
475.	3	5.67	0C:00:15
476.	3	11.67	0C:01:12
477.	3	8.00	0C:00 15

456.

457.

458.

478.

479.

3

3

3

3

3

8.67

2.00

19.33

00:04:40

00 00 04

00:14:08

480.	3	4.00	00:00:38
481.	3	13.00	00:02:26
482.	3	3.00	00:00:09
483.	3	3.00	00:00:31
484.	3	4.33	00 00 09
485.	3	11.00	00.04.06
486.	3	3.00	00:00:03
487.	3	14.67	00:02:37
488.	3	3.00	00:00:02
489.	3	7.00	00:00:42
490.	3	2.67	00:00:03
491.	3	3.00	00:00:03
492.	3	3.00	00:00:20
493.	3	3.67	00:00:04
494.	3	3.33	00.00.21
495.	3	1.00	00.00.00
496.	3	1.33	00:00:14
497.	3	10.33	00:01:34
498.	3	9.33	00:03:09
499.	3	4.00	0C:00:17
500.			

John W Fanning

Chairman Netcapital



... 10/21

FTC-JERK0004928 CX0397-010 7/4/2014

INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions, including

any attachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital.com LLC

© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is

protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and

retais a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not

use, download, upload, copy, print, display, perform, reproduce, republish, modily, license, poel, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to

reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved

John Fanning To:	>	

Sorry go to meeting could not show this on your screen. I did not mean to confuse the issue with 85M profiles. Clearly the more public a person the less high we appear, but we show up first Lets reconnect next Monday if you have time, otherwise suggest some times to follow up.

john

FTC-JERK0004929 CX0397-011



John W Fanning

Chairman Netcapital



INTELLECTUAL PROPERTY RIGHTS. Unless otherwise specified, all ideas, creative concepts and opinions, including

any attachments, as well as the selection, assembly and arrangement thereof, we the sole property of Netcapital com LLC

12/21

FTC-JERK0004930 CX0397-012

7/4/2014

Gmail . I don't mean to beat a dead horse, actually I think I do.

© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netrapital con LLC and is protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and rotain a copy of pages of this email only for your own personal use. Except as espressity provided above, you may not use, download, upload, copy, print, display, perform, reproduce, republish, modity, license, post, transmit or distribute any information from this email in whole or in part without our prior written permission. If you wish to obtain permission to reprint or reproduce any materials appearing here contact the sender. All rights not expressing and herein are reserved.

10:	lohn Fanning Jednesday, July 07, 2010 1:: t: google	54 PM				
315.				3	5.00	00:00:51
316.				3	2.67	00:00:04
317.				3	3.00	00.00.08
318.				3	5.33	00:00:34
319.				3	3.67	00:05:07
320.				3	3.67	00:00:11
321.	-			3	2.33	00.00:02
322.				3	3.33	00:00:02
323.				3	2.33	00:00:15
324.				3	1.67	00:00:01
325.				3	4.33	00:00:09
326.	—			3	3 33	00.00.13
327.				3	2.33	00.00.09
328.	4 -			3	5.33	00:00:18
329.	—			3	4.33	00:00:21
330				3	3.00	00:00:07
331.				3	7.00	00:01:05
332.				3	1.00	00:00:00
333.				3	3.00	00:00:03

.. 13/21

FTC-JERK0004931 CX0397-013

FTC-JERK0004932 CX0397-014

... 14/21

4/2014	/2014 Gmail - 🛄 . I don't mean to beat a dead horse, actually I think I do.				
334.			3	2.33	00.00.09
335.			3	2.33	00:00:11
336			3	14.00	00:02:13
337.			3	7.00	00:01:19
338.	—		3	7.00	00.01.17
339.	—		3	3 00	00:00:09
340.			3	10.33	00:01:44
341.			3	7.00	00:02:18
342.			3	3.00	00:00:04
343.			3	4.00	00.00.10
344.			3	3.33	00:00:11
345.			3	5.33	00:00:27
346.			3	5.00	00:00:14
347	у		3	5.67	00:00:26
348.			3	7.00	00 00 23
349.			3	7.33	00 03 06
350.			3	4.67	00:00:18
351.			3	2.33	00:00:11
352.	_		3	3.67	00:00:10
353.			3	3,00	00:01:47
354.			3	3.33	00.00.05
355.			3	10.33	00:00:55
356.			3	3.00	00:00:43
357			3	4.00	00:00:18

7/4/2014

FTC-JERK0004933 CX0397-015

7/4/2014	Gmail - I do	n't mean to beat a dead horse, actual	ly I think I do.		
358.			3	5.00	00:00:17
359.	—		3	4.67	00 00 49
360.	-		3	-	00:00:37
361.	-		3	3.67	00:00:08
362.			3	5.67	00:00:08
363.			3	3.00	00:00:05
364.			3	5.00	00:00-19
365			3	3.00	00:00:03
366.			3	11.00	00:01:27
367.			3	5.67	00:01:14
368.			3	3.00	00:00:02
369.			3	3.67	00:00:10
370.			3	3.00	00:00:05
371.			3	6.00	00:00:40
372.			3	71.00	00:33:03
373.			3	11.33	00:01:14
374.			3	15.67	00:09:51
375.			3	4.33	00:02:51
376.			3	9.00	00:00:42
377.			3	8.33	00:02:20
378.			3	2.67	00:00:27
379. 380.			3	2.33	00:00:01
380.			3	2.33	00:00:06
382.			3	12.67	00:01:28
				1922575 WY	15/21

... 15/21

	FTC-JERK00	04934
		16/21
3	5.00	00:00:20
3	4.67	00:00:27
3	2.67	00:00:04

383.	3	4.67	00.02.35
384.	3	9.67	00:00:31
385.	3	10.67	00:03:03
386.	3	1.67	00:00:02
387.	3	66.00	00 17 45
388.	3	10.00	00 01 50
389.	3	4.00	00:00;15
390.	3	7.00	00:02:52
391.	3	3.33	00:00:13
392.	3	7.00	00:00:26
393.	3	5.00	00 00 11
394.	3	4.00	00:00:29
395.	3	4.00	00:00:09
396.	3	3.00	00:00:03
397	3	3.00	00:00:11
398	3	2.67	00.00.06
299.	3	34.00	00:21:16
400.	3	1.67	00:00:01
401.	3	5.33	00:01:42
402	3	18.67	00 02:59
403 1	3	1.00	00 00 00
404.	3	2.67	00:00:04
405.	3	4.67	00:00:27
406.	3	5.00	00:00:20

Gmail - I don't mean to beat a dead horse, actually I think I do.

FTC-JERK0004935
CX0397-017

7/4/2014	Gmail -	I don't mean to beat a dead horse, actually I	think I do.	
407.			3.00	00:00:13
408.		3	3 11.33	00:04:21
409.	-	3	3 5.00	00:00:12
410.		a	9.33	00:08:33
411.		3	3.00	00:00:07
412.		a	5.67	00:00:17
413.		3	3.33	00:00:20
414.	-	3	4.67	00:02:06
415.		3	3 2.00	80.00.00
416.		3	1.33	00:00:15
417.		3	5.67	00:01:02
418.		3	3.67	00:00:02
419.	— —	3	2.33	00.00.04
420.		3	3.33	00.00.05
421.		3	6.00	00:00:35
422.		3	6.67	00:12:31
423.		3	3.33	00:00:05
424.		3	6.67	00.02.38
425.		3	3.67	00.00:18
426.		з	3.00	00:00:06
427.		3	1.67	00:02:12
428.	—	3	3.33	00:01:00
429.		3	24.00	00:04:19
430		3	2.33	00:00:02

7/4/2014

Gmail - I don't mean to beat a dead horse, actually I think I do.

FTC-JERK0004936 CX0397-018

... 18/21

7/4/2014	Gmail I don't mean to beat a dead horse, ad	tually I think I d	0.	
431.		3	7.33	00:00:38
432.		3	7.67	00:00:49
433.		3	3.00	00:00:08
434.		3	1.67	00:00:02
435.		3	2.33	00:00:10
436.		3	5.33	00.00.58
437.		3	8.33	00:02:21
438.		3	24.67	00:14:00
439.		3	2.67	00:00:07
440.		3	16.33	00:03:10
441.		3	2.33	00.00 07
442.		3	4.67	00:00:08
443.		3	3.67	00:00:02
444.		3	3.67	00:01:26
445.		3	3.33	00.00.08
446.		3	4.33	00 01 01
447.		3	1.67	00:00:01
448.	jerk,com	3	2.67	00:00:02
449.		3	5.00	00:02:29
450.		3	3.00	00:00:03
451.		3	4 00	00 00 35
452.		3	2.33	00:00:11
453.		3	2.33	00:00:03
454.		3	2.67	00:00:15
455.		3	3.00	00 00 05

456.		3	8.67	00:04:40
457.		3	2.00	00:00:04
458.		3	19.33	00:14:08
459.		3	9.67	00:01:09
460.		3	4.00	00:00:09
461.		3	2.33	00:00:07
462.		3	4.33	00:00:14
463.		3	3.67	00 00 24
<i>2</i> 64.		3	5.33	00:03:09
465.		3	6.67	00:00:19
466.		3	5.00	00:01:18
467		3	6.33	00:01:12
468.		3	1.33	00 00 01
469.		3	7.00	00 01 48
470.		3	5.00	00:00:28
471.		3	11.67	00:02:05
472.		3	3.00	0C:00:04
473.		3	3.00	00 00 06
474.		3	7.33	00:00:55
475.		3	5.67	00:00:15
476.		3	11.67	00:01:12
477.		3	8.00	00:00:15
478		3	8.33	00.02.34
479.		3	3.00	00 00 05

19/21

FTC-JERK0004937 CX0397-019

7/4/2014 480.	Gmail - I don't mean to beat a dead horse, actually I think I do.	4.00	00 00 38
400.		4.00	0000.00
481.	3	13.00	00:02:26
482.	3	3.00	00:00:09
483.	3	3.00	00:00:31
484.	3	4.33	00:00:09
485.	3	11.00	00:04:06
486.	3	3.00	00:00:03
487.	3	14.67	00:02:37
488.	3	3.00	00:00:02
489	3	7.00	00:00:42
490.	3	2.67	00:00:03
491.	3	3.00	00:00:03
492.	3	3.00	00:00:20
493.	3	3.67	00:00:04
494.	3	3.33	00:00:21
495.	3	1.00	00.00.00
496.	3	1.33	00:00:14
497.	3	10.33	00:01:34
498.	3	9.33	00:03:09
499.	3	4.00	00.00.17
500.			

John W Fanning

Chairman Netcapital

... 20/21

FTC-JERK0004938 CX0397-020 INTELLECTUAL PROPERTY RIGHTS: Unless otherwise specified, all ideas, creative concepts and opinions. Including

any stachments, as well as the selection, assembly and arrangement thereof, are the sole property of Netcapital com LLC

© 2010, ALL RIGHTS RESERVED. The content of this email is the property of Netcapital.com LLC and is

protected by U.S. and international copyright and other intellectual property laws. You may view, download, print and

retain a copy of pages of this email only for your own personal use. Except as expressly provided above, you may not

use, download, upload, copy, print, display, perform, reproduce, republish, modify, license, post, transmit or distribute any

information from this email in whole or in part without our prior written permission. If you wish to obtain permission to

reprint or reproduce any materials appearing here contact the sender. All rights not expressly granted herein are reserved.

CX0401

UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

In the Matter of

Jerk, LLC, a limited liability company, also d/b/a JERK.COM, and

DOCKET NO. 9361

PUBLIC

John Fanning, individually and as a member of Jerk, LLC

DECLARATION OF

The undersigned, **America**, says as follows:

1. I am over the age of 18 and otherwise competent to make this declaration.

2. I am currently employed as Chief Operating Officer of Immedion, LLC ("Immedion") and have served in this capacity since the formation of Immedion in 2007.

3. Immedion is a data center and cloud services provider offering outsourced information technology infrastructure services and solutions to customers. Immedion provides Infrastructure as a Service (IaaS) to our customers through facilities located in South Carolina and Western North Carolina.

4. In October 2011, Immedion purchased the customer contracts and assets of an Asheville, North Carolina data center owned by a company called Netriplex.

5. One of the existing customer contracts that Immedion purchased from Netriplex in October 2011 was a contract with a Jerk, LLC, which operated a website called <u>www.jerk.com</u>.

6. The service orders for Jerk, LLC, both before and after Immedion's acquisition of the Netriplex contracts, were all signed by John Fanning, whom I came to understand was the owner of Jerk, LLC and the website, <u>www.jerk.com</u>.

7. Generally speaking, Immedion provided dedicated server hardware, software, IP addresses, data backup, and Internet access to Jerk, LLC. More specifically, Immedion or Netriplex provided the following services to Jerk, LLC, both before and after the October 2011 acquisition noted above:

a. November 1, 2006 – Netriplex provided Jerk, LLC a server with 2GB RAM, P3 Processor, 2,000GB/month Internet transfer, 3 IP addresses, and 10GB backup.

2

b. November 9, 2006 – Netriplex provided Jerk, LLC with two servers with 2GB RAM, P3 Processor, 250GB hard drive, 300GB/month internet transfer, 3 IP addresses, and 10GB backup.

c. November 27, 2006 – Netriplex provided Jerk, LLC with two servers – one with 1.4GHz Processor, 2GB RAM, two 73GB hard drives, 336GB/month internet transfer; and the other with dual 1.1GHz Processor, 3 IP addresses, and 10GB backup.

d. August 26, 2008 – Netriplex provided Jerk, LLC a server with 2.8GHz processor, 2GB RAM, 80GB hard drive, 1 IP address, 1mbps internet bandwidth, Microsoft SQL license, and Microsoft ISA Server license.

e. November 11, 2010 – Immedion provided Jerk, LLC a server with four 2.2GHz processors, 4GB RAM, 250GB hard disk, 30Mbps internet bandwidth, 5 IP addresses, and a Cisco firewall.

f. As each of these services was provided to Jerk, LLC, the total resources provided was cumulative. In other words, Jerk, LLC did not discontinue any service request before adding its next service request.

8. The technical contact for the website, <u>www.jerk.com</u> was John Fanning. Mr. Fanning was also the billing contact for the website, <u>www.jerk.com</u>, and Immedion's invoices for services provided to Jerk, LLC were paid by credit card.

9. Immedion (or Netriplex before October 2011) provided Jerk, LLC with administrative access to the website, <u>www.jerk.com</u>, and provided Internet connectivity to the contracted servers noted in Paragraph 7 above. With this access and connectivity, all information contained on the website, <u>www.jerk.com</u> was loaded and published by Jerk, LLC and not by Immedion.

10. I understand that the website, <u>www.jerk.com</u>, was hacked at some point on or about July 22, 2011, which was prior to the time Immedion acquired Jerk, LLC as a customer. Immedion does not know what happened in this hacking incident, and Immedion was not directly involved in the repair of the website after this incident.

11. Immedion received various complaints about the website, <u>www.jerk.com</u>, during the time frame when Immedion was providing services to Jerk, LLC. When these complaints came in to Immedion, Immedion forwarded the complaints to John Fanning at one of the following email addresses: **_______** or <u>support@jerk.com</u>. To the best of my knowledge, Mr. Fanning was responsible to respond to these complaints on behalf of the website, <u>www.jerk.com</u>. Mr. Fanning's response to these

4

complaints typically came by email from one or the other of the email addresses identified above, and would be included in our incident report concerning the complaint.

12. Immedion terminated Jerk, LLC as a customer in November 2012 because Jerk, LLC violated Immedion's acceptable use policy.

13. As its Chief Operating Officer, I am a custodian of certain records for Immedion and am familiar with the record keeping practices of Immedion.

14. Immedion has produced certain documents and records pursuant to a subpoena served on Immedion by the Federal Trade Commission ("FTC") in connection the above-captioned matter (the "FTC Subpoena"). The produced records are accurate copies of the original records.

15. Included in the records produced by Immedion in response to the FTC

Subpoena are the following documents:

- a. NetCapital.com LLC Service Order Form dated 11/1/2006;
- b. Netwire, Inc. Service Order form dated 10/14/2006;
- c. Netwire, Inc. Service Order form dated 11/27/2006;
- d. Netwire, Inc. Service Order form dated 12/14/2006;
- e. Jerk LLC customer information (customer name "NETCA001");
- f. Ticket No. 601050;
- g. Ticket No. 601754;
- h. Ticket No. 605325;
- i. Ticket No. 607384;
- j. Ticket No. 608124;
- k. Ticket No. 608633;
- 1. Ticket No. 609864; and
- m. Ticket No. 612051.

16. Copies of the records identified in Paragraph 14(a) through (d) are attached to this Declaration collectively as Exhibit A.

17. Copies of the records identified in Paragraph 14(e) through (m) are attached to this Declaration collectively as Exhibit B.

18. I am familiar with the records included as Exhibits A and B and was responsible for the production of these records to the FTC in response to the FTC Subpoena.

19. With respect to the records attached as Exhibit A to this Declaration, all of those records are records that all pre-date the formation of Immedion and were obtained by Immedion in or about October 2011 when Immedion purchased the customer contracts and assets of Netriplex.

20. To the best of my knowledge, information and belief, the records attached as Exhibit A are all Netriplex records, and that the original records were made at or near the time of the occurrence of the matters set forth therein by, or from the information transmitted by, a person with knowledge of those matters.

21. To the best of my knowledge, information and belief, the records attached as Exhibit A were kept by Netriplex in the ordinary course of its regularly conducted business activity, and once these records were obtained by Immedion in its transaction acquiring customer contracts and assets of

6

Netriplex, these records have been maintained by Immedion as part of Immedion's business records.

22. To the best of my knowledge, information and belief, it was part of the regular practice of Netriplex, as part of its business activity, to make the records attached as Exhibit A.

23. With respect to the records attached as Exhibit B to this Declaration, I certify that these are all Immedion records, and that the original records were made at or near the time of the occurrence of the matters set forth therein by, or from the information transmitted by, a person with knowledge of those matters.

24. I certify that the original records were kept by Immedion in the ordinary course of its regularly conducted business activity.

25. I certify that it was the regular practice of Immedion, as part of its business activity, to make these original records.

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

francia -Date: Aujust 6, 2014