

# **EXCERPTS FROM TRIAL TRANSCRIPTS**

In Support of Defendants' Opposition to Bollea's Motion to Strike

IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT  
OF THE STATE OF FLORIDA, IN AND FOR PINELLAS COUNTY

-----  
TERRY GENE BOLLEA, professionally  
known as HULK HOGAN,

Plaintiff,

No. 12-012447-CI-011

vs.

GAWKER MEDIA, LLC, aka GAWKER  
MEDIA, NICK DENTON; A.J. DAULERIO,

Defendants.

-----/

TRIAL PROCEEDINGS BEFORE  
THE HONORABLE PAMELA A.M. CAMPBELL  
and a jury

DATE: March 8, 2016  
TIME: 9:21 a.m. to 12:15 p.m.  
PLACE: Pinellas County Courthouse  
545 First Avenue North  
Courtroom A  
St. Petersburg, Florida  
REPORTED BY: Susan C. Riesdorph, RPR, CRR  
Notary Public, State of  
Florida

Volume 12  
Pages 1493 - 1648

## 1 APPEARANCES:

2 CHARLES J. HARDER, ESQUIRE  
3 Harder Mirell & Abrams, LLP  
4 132 South Rodeo Drive  
Suite 301  
Beverly Hills, California 90212

5 - and -

6 KENNETH G. TURKEL, ESQUIRE  
7 SHANE VOGT, ESQUIRE  
8 Bajo Cuva Cohen & Turkel, P.A.  
9 100 North Tampa Street  
Suite 1900  
Tampa, Florida 33602

10 - and -

11 DAVID R. HOUSTON, ESQUIRE  
12 Law Office of David R. Houston  
432 Court Street  
Reno, Nevada 89501  
Attorneys for Terry Bollea

13  
14  
15  
16 CONTINUED:  
17  
18  
19  
20  
21  
22  
23  
24  
25

## 1 APPEARANCES (CONTINUED):

2 MICHAEL D. SULLIVAN, ESQUIRE  
3 SETH D. BERLIN, ESQUIRE  
4 PAUL J. SAFIER, ESQUIRE  
5 Levine Sullivan Koch & Schulz, LLP  
6 1899 L Street, N.W.  
7 Suite 200  
8 Washington, D.C. 20036

9 - and -

10 MICHAEL BERRY, ESQUIRE  
11 Levine Sullivan Koch & Schulz, LLP  
12 1760 Market Street  
13 Suite 1001  
14 Philadelphia, Pennsylvania

15 - and -

16 GREGG THOMAS, ESQUIRE  
17 Thomas & LoCicero, PL  
18 601 South Boulevard  
19 Tampa, Florida 33606

20 - and -

21 HEATHER DIETRICK, ESQUIRE  
22 General Counsel  
23 Gawker Media  
24 210 Elizabeth Street  
25 Third Floor  
New York, New York 10012

- and -

19 CELENE HUMPHRIES, ESQUIRE  
20 Brannock & Humphries  
21 1111 West Cass Street  
22 Suite 200  
23 Tampa, Florida 33606  
24 Attorneys for Defendant Gawker Media, LLC

25 CONTINUED:

1 APPEARANCES (CONTINUED) :

2 ALSO PRESENT:

3 Terry Bollea  
4 Nick Denton  
5 A.J. Daulerio  
6 John Dackson  
7 Michael Boucher  
8 Seema Ghatnekar  
9 Lisa Meriwether  
10 Tim Piganelli  
11 Maureen Walsh  
12 Michael Foley  
13 Jeff Anderson

14 I N D E X

15 PROCEEDINGS Page 1497

16 WITNESS: TERRY GENE BOLLEA

17 Cross-Examination by Mr. Sullivan Page 1498  
18 (Continued)

19 REPORTER'S CERTIFICATE Page 1648  
20  
21  
22  
23  
24  
25

1 My problem is -- is this whole -- the videotape that  
2 you guys put out that lives forever. It will be there  
3 forever on the Internet. That's the problem.

4 Q. So it's the video?

5 A. Yes, sir.

6 Q. It's the video excerpt, brief portion --

7 A. No. It's whatever Gawker did --

8 Q. -- that Gawker chose to post --

9 A. -- to put up -- whatever they put up. I  
10 don't even know.

11 Q. And you tell us that you never had a problem  
12 with the article that Mr. Daulerio authored?

13 A. Well, I wasn't happy about it.

14 Q. Let me ask you this. You sued Mr. -- you  
15 sued Mr. Denton. You sued Mr. Daulerio. And Gawker.  
16 And you sued them in your initial complaint and you  
17 included the article, right?

18 MR. TURKEL: Judge, objection.

19 THE COURT: Sustained.

20 MR. TURKEL: Can we get a curative that he's  
21 not suing on that portion?

22 MR. SULLIVAN: My question --

23 THE COURT: The objection is sustained.

24 Thank you.

25 MR. SULLIVAN: My question is a bit more

1           precise. When the suit was filed, it included it.

2           THE COURT: I sustained the objection. Thank  
3           you.

4           MR. SULLIVAN: All right.

5 BY MR. SULLIVAN:

6           Q. Now, let us return to something you told all  
7 of us yesterday. You explained that when this  
8 happened, when this went down, you were at an all-time  
9 low, right?

10          A. When what went down?

11          Q. The sexual encounter with Heather.

12          A. Yes, sir.

13          MR. SULLIVAN: Okay. And if we could look,  
14 please, at -- I think the clip is -- Tim, it's  
15 D 231D. If we can look at that.

16                (Video clip published as follows:)

17           HULK HOGAN: That's -- that's -- so what.  
18 Nobody cares about, whoa is me. Because  
19 everybody -- they care about what now, you know.  
20 Okay. So here's where we're at, Bro.

21           MIKE: I want to come back. This is my show.  
22 (Inaudible).

23           HULK HOGAN: This is your show. Did you just  
24 say that?

25           MIKE: We're not going to play any songs.

## REPORTER'S CERTIFICATE

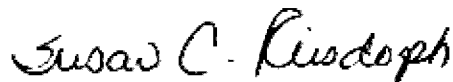
STATE OF FLORIDA :

COUNTY OF HILLSBOROUGH :

I, Susan C. Riesdorph, RPR, CRR certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the outcome of the foregoing action.

Dated this 8th day of March, 2016, IN THE COUNTY OF TAMPA, COUNTY OF HILLSBOROUGH, STATE OF FLORIDA.



Susan C. Riesdorph, RPR, CRR, CLSP

IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT  
IN AND FOR PINELLAS COUNTY, FLORIDA  
CIVIL DIVISION

TERRY GENE BOLLEA,  
professionally known as HULK  
HOGAN,

Plaintiff,

Case No.

12-012447-CI-011

vs.

GAWKER MEDIA, LLC, aka GAWKER  
MEDIA, NICK DENTON; A.J.  
DAULERIO,

Defendants.

\_\_\_\_\_/

TRIAL PROCEEDINGS BEFORE  
THE HONORABLE PAMELA A.M. CAMPBELL,  
and a jury

DATE: March 9, 2016

TIME: 1:01 p.m. to 5:02 p.m.

PLACE: Pinellas County Courthouse  
545 1st Avenue North  
Courtroom A  
St. Petersburg, Florida

REPORTED BY: Nathan F. Perkins, RDR  
Aaron T. Perkins, RPR  
Notaries Public, State of  
Florida at Large

Volume 15  
Pages 1940 to 2104

## 1 APPEARANCES:

2 CHARLES J. HARDER, ESQUIRE  
3 Harder, Mirell & Abrams, LLP  
4 1925 Century Park East  
Suite 800  
5 Los Angeles, California 90067

6 - and -

7 KENNETH G. TURKEL, ESQUIRE  
8 SHANE B. VOGT, ESQUIRE  
Bajo Cuva Cohen & Turkel, P.A.  
100 North Tampa Street  
Suite 1900  
9 Tampa, Florida 33602

10 - and -

11 DAVID R. HOUSTON, ESQUIRE  
12 The Law Office of David R. Houston  
432 Court Street  
13 Reno, Nevada 89501

14 Attorneys for Plaintiff  
15  
16  
17

18 APPEARANCES CONTINUED:  
19  
20  
21  
22  
23  
24  
25

1  
2 APPEARANCES CONTINUED AS FOLLOWS:3 MICHAEL D. SULLIVAN, ESQUIRE  
4 SETH D. BERLIN, ESQUIRE  
5 Levine Sullivan Koch & Schulz, LLP  
6 1899 L Street, N.W.  
Suite 200  
Washington, D.C. 20036

7 - and -

8 MICHAEL BERRY, ESQUIRE  
9 Levine Sullivan Koch & Schulz, LLP  
10 1760 Market Street  
Suite 1001  
Philadelphia, Pennsylvania 19103

11 - and -

12 RACHEL E. FUGATE, ESQUIRE  
13 Thomas & LoCicero, P.L.  
601 South Boulevard  
Tampa, Florida 33606

14 - and -

15 HEATHER L. DIETRICK, ESQUIRE  
16 Gawker Media, LLC  
17 President and General Counsel  
210 Elizabeth Street  
Suite 4  
New York, New York 10012

18 - and -

19 MAEGEN P. LUKA, ESQUIRE  
20 Brannock & Humphries, P.A.  
21 1111 West Cass Street  
Suite 200  
Tampa, Florida 3360622 Attorneys for Defendant Gawker Media, LLC,  
23 et al.  
24  
25

1  
2 ALSO PRESENT:

3 Terry Bollea  
4 Nick Denton  
5 A.J. Daulerio  
6 John Dackson, media technician  
7 Tim Piganelli, media technician  
8 Michael Boucher  
9 Seema Ghatnekar  
10 Lisa Meriwether  
11 Maureen Walsh  
12 Michael Foley  
13 Jeff Anderson  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 MR. VOGT: TMZ never had a DVD, never.

2 MR. SULLIVAN: We don't know that. They had  
3 this -- I'll move on.

4 THE COURT: Okay. Curative instruction  
5 denied at this point. Thank you.

6 (In open court)

7 THE COURT: All right. Mr. Sullivan?

8 MR. SULLIVAN: Your Honor, thank you.

9 BY MR. SULLIVAN:

10 Q. Mr. Houston, let's see if we can clear up one  
11 last thing.

12 You told us this morning before our luncheon  
13 recess that what you were upset about was the video  
14 excerpts from the sex tape, right?

15 A. I have said about the video, sir.

16 Q. All right. And you said telling the folks  
17 what it was that you were upset about. You said, well,  
18 we didn't object to the written word. That's what my  
19 notes reflect. Do you recall saying that or words --  
20 in words or substance?

21 A. I recall indicating that in reference to the  
22 letters and the e-mail that I sent to Gawker and to  
23 Mr. Denton, yes, sir.

24 Q. Do you recall talking about the -- and as you  
25 moved, you told us about the progress to the point you

1 decided to file suit.

2 A. I'm sorry, I do not understand your question.

3 Q. That was not the best of questions. We are  
4 in agreement on that one. Let me see if I can do it  
5 more simply.

6 You -- when this case began, you were upset  
7 about the video excerpts that Gawker chose to post on  
8 its website, correct?

9 A. Yes, among several other things, that's  
10 certainly in the category.

11 Q. Precisely.

12 And among the other things you were upset  
13 about, at the point you filed the suit was, in fact,  
14 the commentary that was posted, correct?

15 A. In contrast, no, not even close.

16 Q. Not in contrast. I'm asking you, you were  
17 upset at the outset of the case, not just about the  
18 video excerpts. You were upset about A.J. Daulerio's  
19 post, weren't you?

20 A. "Upset" is the incorrect word. I think I was  
21 more appalled by the notion that someone would do that  
22 to another person, and I don't know how you equate  
23 appalled and upset. But, to me, they're a bit  
24 different. But the primary issue has been and  
25 continues to be the idea they indicated they had a sex

1 video of Mr. Bollea.

2 Q. Right.

3 A. That's always been the thrust, Mr. Sullivan.

4 Q. My question is much simpler and is more  
5 precise. When you began these proceedings that brings  
6 us all here together --

7 MR. HARDER: Your Honor, can we approach?

8 THE COURT: Yes.

9 (At the bench)

10 MR. HARDER: We already went through this  
11 earlier today, where we're not suing on the words,  
12 on the page.

13 MR. SULLIVAN: You did, Charles. But that's  
14 not --

15 THE COURT: I think that's not part of it now  
16 at this point in time. But to put -- but here is  
17 what's troubling to me. To put a lawyer on the  
18 stand and go through the history of the lawsuit,  
19 that's not appropriate, where it is before and  
20 where it is now.

21 MR. SULLIVAN: You can't -- Your Honor, you  
22 cannot take -- let him take that stand and say, We  
23 were never concerned about the words. That's  
24 their position now. That is not when they  
25 initiated the suit.

1 THE COURT: Yes. But you can't put a lawyer  
2 on the stand and ask all of that.

3 MR. SULLIVAN: Who can I put on the stand,  
4 because it's --

5 THE COURT: I don't think you go through --

6 MR. SULLIVAN: -- because it's a fundamental  
7 injustice.

8 THE COURT: I don't think you don't go  
9 through the pleadings with the jury.

10 MR. SULLIVAN: I'm not going to go through  
11 the pleadings. I'm going to ask him, When you  
12 filed suit, you were upset about the words?

13 MR. HARDER: It's awfully confusing for the  
14 jury when you're instructing them at the end of  
15 this that it's the video that is at issue. And  
16 they're trying to confuse everything by trying to  
17 tie everything up in the word -- let me finish,  
18 Mr. Sullivan.

19 MR. SULLIVAN: Sorry.

20 MR. HARDER: I was very patient with you.

21 Because what they're trying to do is confuse  
22 the jury to think that we're suing on the words  
23 and that the First Amendment protects the words.  
24 We made a conscious decision over a year ago to  
25 separate that out. We were very clear about that.

1           MR. VOGT: They also asked for a jury  
2 instruction instructing the jury that the case is  
3 not about the words on the paper. It's only about  
4 the video, so I think this is --

5           MR. BERRY: Well, we did initially.

6           THE COURT: Okay. So the objection is  
7 sustained. Thank you.

8           MR. SULLIVAN: It's impeachment. He can't  
9 sit up there and say, Well, we were never  
10 concerned about the words, just the video.

11          THE COURT: He didn't say that.

12          MR. SULLIVAN: He did this morning.

13          MR. HARDER: If the court -- about the words?

14          MR. BERRY: Yes.

15          MR. SULLIVAN: That's the only reason for  
16 this question.

17          MR. BERRY: He said we were never concerned  
18 about the words. It's always been about the --

19          MR. HARDER: When he -- at the specific time  
20 when he sent the cease and desist on the 5th, he  
21 was not concerned about the words, and there is  
22 nothing in the cease and desist that has anything  
23 to do about the words. The lawsuit came --

24          MR. BERRY: He said he's only been concerned  
25 about the video.

1 THE COURT: Okay. The objection is  
2 sustained.

3 (In open court)

4 MR. SULLIVAN: Thank you, Your Honor. I have  
5 no further questions.

6 THE COURT: All right. Thank you.

7 THE WITNESS: Thank you.

8 THE COURT: We need a break before we go to  
9 the next. We'll take a break.

10 Ten-minute break.

11 (A recess was taken at 2:22 p.m.)

12 (Court called to order at 2:39 p.m.)

13 THE COURT: Thank you. You can all be  
14 seated.

15 Mr. Houston, back on the stand.

16 Anything else before we begin?

17 MR. VOGT: Just Mr. Houston is not going to  
18 be very long. But we were going to move the TV  
19 after he finishes so that it will be in front of  
20 the jury. But it shouldn't take but about a  
21 minute or two.

22 THE COURT: That's fine. And for the next  
23 witness?

24 MR. VOGT: Yes.

25 THE COURT: Mr. Foley?

## REPORTER'S CERTIFICATE

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

We, Aaron T. Perkins, Registered Professional Reporter, and Nathan F. Perkins, Registered Diplomate Reporter, certify that we were authorized to and did stenographically report the above proceedings and that the transcript is a true and complete record of our stenographic notes.

We further certify that we are not a relative, employee, attorney, or counsel of any of the parties, nor are we a relative or employee of any of the parties' attorney or counsel connected with the action, nor are we financially interested in the action.

Dated this 9th day of March, 2016.

\_\_\_\_\_  
Aaron T. Perkins, RPR

\_\_\_\_\_  
Nathan F. Perkins, RDR

IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT  
IN AND FOR PINELLAS COUNTY, FLORIDA  
CIVIL DIVISION

TERRY GENE BOLLEA,  
professionally known as HULK  
HOGAN,

Plaintiff,

Case No.

12-012447-CI-011

vs.

GAWKER MEDIA, LLC, aka GAWKER  
MEDIA, NICK DENTON; A.J.  
DAULERIO,

Defendants.

\_\_\_\_\_/

TRIAL PROCEEDINGS BEFORE  
THE HONORABLE PAMELA A.M. CAMPBELL,  
and a jury

DATE: March 11, 2016

TIME: 1:32 p.m. to 4:10 p.m.

PLACE: Pinellas County Courthouse  
545 1st Avenue North  
Courtroom A  
St. Petersburg, Florida

REPORTED BY: Aaron T. Perkins, RPR  
Notaries Public, State of  
Florida at Large

Volume 19  
Pages 2512 to 2647

## 1 APPEARANCES:

2 CHARLES J. HARDER, ESQUIRE  
3 Harder, Mirell & Abrams, LLP  
4 1925 Century Park East  
Suite 800  
5 Los Angeles, California 90067

6 - and -

7 KENNETH G. TURKEL, ESQUIRE  
8 SHANE B. VOGT, ESQUIRE  
Bajo Cuva Cohen & Turkel, P.A.  
100 North Tampa Street  
Suite 1900  
9 Tampa, Florida 33602

10 - and -

11 DAVID R. HOUSTON, ESQUIRE  
12 The Law Office of David R. Houston  
432 Court Street  
13 Reno, Nevada 89501

14 Attorneys for Plaintiff  
15  
16  
17

18 APPEARANCES CONTINUED:  
19  
20  
21  
22  
23  
24  
25

1  
2 APPEARANCES CONTINUED AS FOLLOWS:3 MICHAEL D. SULLIVAN, ESQUIRE  
4 SETH D. BERLIN, ESQUIRE  
5 Levine Sullivan Koch & Schulz, LLP  
6 1899 L Street, N.W.  
Suite 200  
Washington, D.C. 20036

7 - and -

8 MICHAEL BERRY, ESQUIRE  
9 Levine Sullivan Koch & Schulz, LLP  
10 1760 Market Street  
Suite 1001  
Philadelphia, Pennsylvania 19103

11 - and -

12 RACHEL E. FUGATE, ESQUIRE  
13 Thomas & LoCicero, P.L.  
601 South Boulevard  
Tampa, Florida 33606

14 - and -

15 HEATHER L. DIETRICK, ESQUIRE  
16 Gawker Media, LLC  
17 President and General Counsel  
210 Elizabeth Street  
Suite 4  
New York, New York 10012

18 - and -

19 CELENE H. HUMPHRIES, ESQUIRE  
20 Brannock & Humphries, P.A.  
21 1111 West Cass Street  
Suite 200  
Tampa, Florida 3360622 Attorneys for Defendant Gawker Media, LLC,  
23 et al.  
24  
25

1  
2 ALSO PRESENT:

3 Terry Bollea  
4 Nick Denton  
5 A.J. Daulerio  
6 John Dackson, media technician  
7 Tim Piganelli, media technician  
8 Michael Boucher  
9 Seema Ghatnekar  
10 Lisa Meriwether  
11 Maureen Walsh  
12 Michael Foley  
13 Jeff Anderson  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1           A.    The increase itself?

2           Q.    Yeah.   Between November and December.

3           A.    I think the increase itself was possibly  
4   attributable to some other article that was posted.

5           Q.    Yeah.   Because we just looked at that graph a  
6   little while ago that showed all the uniques were in  
7   October, right?

8           A.    Right.

9           Q.    Now, please look at Defendants' Exhibit 140,  
10   please. This document shows the number of the unique  
11   users in the U.S. for Gawker.com in April 2013.

12                  Do you see that?

13           A.    I do.

14           Q.    That was the last month that the video  
15   appeared, the Hogan video appeared on Gawker's website,  
16   right?

17           A.    That's correct.

18           Q.    In that month, there were roughly a little  
19   under 12.8 million unique users, right?

20           A.    Correct.

21           Q.    So let's put that number up, please.

22                  And that was the last month that you looked  
23   at in your analysis, correct?

24           A.    Yes.

25           Q.    So looking at this chart before the Hogan

1 post and after the Hogan post, before the Hogan post  
2 and then the month it went down, those numbers were  
3 pretty close to identical, aren't they?

4 A. In terms of --

5 Q. Like 12.6 and 12.7, 12.8?

6 A. Before and after? They are close.

7 Q. Pretty close to identical?

8 A. Yes, pretty close.

9 Q. Now --

10 MR. BERRY: You can take that down.

11 BY MR. BERRY:

12 Q. You explained earlier -- I will just switch  
13 gears slightly here to talk about another part of your  
14 report and analysis.

15 You talked earlier about the market approach,  
16 and I think this is what you were getting into before  
17 where I said we'll get to you. What you talked about,  
18 I think, was that in order to do the market approach,  
19 you need to look at comparable assets, right?

20 A. Correct.

21 Q. I would like to take a few minutes of time  
22 talking about the comps you used here.

23 A. Sure.

24 Q. To do that, I think it would be helpful --

25 MR. BERRY: Tim, if you could put you

## REPORTER'S CERTIFICATE

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

I, Aaron T. Perkins, Registered Professional Reporter, certify that I was authorized to and did stenographically report the above proceedings and that the transcript is a true and complete record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

Dated this 11th day of March, 2016.

  
Aaron T. Perkins, RPR



IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT  
OF THE STATE OF FLORIDA, IN AND FOR PINELLAS COUNTY

-----  
TERRY GENE BOLLEA, professionally  
known as HULK HOGAN,

Plaintiff,

No. 12-012447-CI-011

vs.

GAWKER MEDIA, LLC, aka GAWKER  
MEDIA, NICK DENTON; A.J. DAULERIO,

Defendants.

-----/

TRIAL PROCEEDINGS BEFORE  
THE HONORABLE PAMELA A.M. CAMPBELL

DATE: March 21, 2016  
TIME: 8:54 a.m. to 11:49 a.m.  
PLACE: Pinellas County Courthouse  
545 First Avenue North  
Courtroom A  
St. Petersburg, Florida  
REPORTED BY: Susan C. Riesdorph, RPR, CRR  
Notary Public, State of  
Florida

Volume 30  
Pages 3845 - 3879

## 1 APPEARANCES:

2 CHARLES J. HARDER, ESQUIRE  
3 Harder Mirell & Abrams, LLP  
4 132 South Rodeo Drive  
Suite 301  
Beverly Hills, California 90212

5 - and -

6 KENNETH G. TURKEL, ESQUIRE  
7 SHANE VOGT, ESQUIRE  
8 Bajo Cuva Cohen & Turkel, P.A.  
9 100 North Tampa Street  
Suite 1900  
Tampa, Florida 33602

10 - and -

11 DAVID R. HOUSTON, ESQUIRE  
12 Law Office of David R. Houston  
432 Court Street  
Reno, Nevada 89501  
Attorneys for Terry Bollea

13  
14  
15  
16 CONTINUED:  
17  
18  
19  
20  
21  
22  
23  
24  
25

## 1 APPEARANCES (CONTINUED):

2 MICHAEL D. SULLIVAN, ESQUIRE  
3 SETH D. BERLIN, ESQUIRE  
4 PAUL J. SAFIER, ESQUIRE  
5 Levine Sullivan Koch & Schulz, LLP  
6 1899 L Street, N.W.  
7 Suite 200  
8 Washington, D.C. 20036

9 - and -

10 MICHAEL BERRY, ESQUIRE  
11 Levine Sullivan Koch & Schulz, LLP  
12 1760 Market Street  
13 Suite 1001  
14 Philadelphia, Pennsylvania

15 - and -

16 GREGG THOMAS, ESQUIRE  
17 RACHEL FUGATE, ESQUIRE  
18 Thomas & LoCicero, PL  
19 601 South Boulevard  
20 Tampa, Florida 33606

21 - and -

22 CELENE HUMPHRIES, ESQUIRE  
23 Brannock & Humphries  
24 1111 West Cass Street  
25 Suite 200  
Tampa, Florida 33606  
Attorneys for Defendant Gawker Media, LLC

CONTINUED:

1 APPEARANCES (CONTINUED) :

2 ALSO PRESENT:

3 Terry Bollea  
4 John Dackson  
5 Seema Ghatnekar  
6 Tim Piganelli  
7 Gayla Arnold  
8  
9

10 I N D E X

11 PROCEEDINGS Page 3849

12 REPORTER'S CERTIFICATE Page 3879

1 longer than me. There's just -- we need to  
2 discuss with the defense just some legal issues.  
3 There are some particular areas that relate to the  
4 jury instructions and the general parameters we  
5 can give the jury on this. 45 minutes, Judge.  
6 We'll be very transparent with them and see if we  
7 can work this out.

8 THE COURT: Fine. I'll come back up here  
9 about ten o'clock. If you want me sooner, I'm  
10 just downstairs working on other issues. I do  
11 have to do a hearing on another emergency matter  
12 in my division at noon.

13 MR. TURKEL: Obviously the issues there are  
14 only one or two. To the extent we're going to  
15 need rulings, I don't see more than maybe an hour  
16 total time with you.

17 THE COURT: That's fine.

18 MR. TURKEL: We'll be done before noon.

19 THE COURT: We'll be in informal recess until  
20 you call me or ten o'clock, whichever comes first.

21 (Recess taken from 9:09 a.m. to 10:44 a.m.)

22 THE COURT: Thank you. You may be seated.  
23 Mr. Vogt.

24 MR. VOGT: We have reached substantial  
25 agreement on the jury instructions.

1 THE COURT: Great.

2 MR. VOGT: And an agreement on the verdict  
3 form.

4 THE COURT: Great.

5 MR. VOGT: We have one issue that we need to  
6 address with the Court with respect to the  
7 instructions, and we have also entered into a  
8 stipulation regarding the defendants' financial  
9 worth that we're going to provide to the Court.

10 May I approach, Your Honor?

11 THE COURT: Yes. Did you say you've also  
12 agreed to a verdict form?

13 MR. VOGT: Yes. I have that, Your Honor.  
14 I'm just making sure.

15 May I approach, Your Honor?

16 THE COURT: Yes.

17 MR. SAFIER: May I approach, Your Honor?

18 The only remaining disagreement on jury  
19 instructions is that we want this instruction.  
20 Did he provide you with jury instructions?

21 THE COURT: Yes. I thought you said they  
22 were -- I thought they were agreed to. No?

23 MR. SAFIER: They're agreed to except -- all  
24 of that is agreed to. We just want in addition  
25 this one particular instruction which I've

1           flagged, just this one on this page.

2           THE COURT:   Okay.

3           MR. SAFIER:   Thank you, Your Honor.

4           THE COURT:   So do you want to make that  
5 argument?

6           MR. SAFIER:   Yes.

7           THE COURT:   Go ahead.

8           MR. SAFIER:   So, Your Honor, the one  
9 remaining disagreement about the jury instructions  
10 is that we want an instruction that -- and I just  
11 handed this to you -- you may not award an amount  
12 in punitive damages that would financially destroy  
13 or bankrupt any of the defendants.

14                 We think this is required under the model  
15 jury instructions.

16           May I approach?

17           THE COURT:   (Indicates affirmatively.)

18           MR. SAFIER:   If you look to this document,  
19 which I concede is somewhat confusing to read, but  
20 if you go to -- I think it's page 5.  So you see  
21 page 5, there's a heading that says, see 2,  
22 punitive damages, determination of amount?

23                 Do you see that, Your Honor?

24           THE COURT:   No.  Where are you?

25           MR. SAFIER:   It's on the top of page 16

1       actually of the document. I'm sorry. If you look  
2       down, 16.

3               THE COURT: 16. Okay. 2?

4               MR. SAFIER: Correct.

5               THE COURT: I see it.

6               MR. SAFIER: Right. And that lays out  
7       factors to be considered in determining punitive  
8       damages. We agree about that until you get to B.  
9       It says, the financial resources of defendant. We  
10      agree on that. And then in brackets, there's the  
11      following language: "However, you may not award  
12      an amount that would financially destroy  
13      defendants," and then directs you to footnote 7.

14              So if you scroll down to the next page --  
15      scroll down? If you move to the next page, it  
16      says this instruction is to be given when  
17      requested by defendant.

18              We are requesting it now. I think that's  
19      fairly straightforward.

20              Plaintiff has an argument, I believe, for why  
21      we should depart from the standard instructions,  
22      which appear mandatory to me. I won't present  
23      that argument because I'm afraid I'll butcher it.  
24      I will let Mr. Vogt present it and then I'll  
25      respond.

1           Thank you, Your Honor.

2           THE COURT: Thank you, Mr. Safier.

3           Mr. Vogt.

4           MR. VOGT: So if you look at the very first  
5 page of what you were just handed, on the section  
6 that says, Note for use on punitive damages  
7 charges, it says, These instructions are intended  
8 for use in the majority of punitive damages cases.

9           And then if you go down beneath that, it  
10 says, Under certain circumstances, an additional  
11 instruction may be required regarding the upper  
12 limit on the amount of punitive damages.

13           That upper limit refers to the language that  
14 was just discussed with you about bankrupting or  
15 destroying a defendant.

16           768.73, section 1(c) provides that where the  
17 factfinder determines that at the time of injury  
18 the defendant had a specific intent to harm the  
19 claimant and determines that the defendants'  
20 conduct did, in fact, harm the claimant, there  
21 shall be no cap on punitive damages.

22           That finding has been made in this case. So  
23 there is no cap on punitive damages.

24           The language they want in with respect to the  
25 bankruptcy or destroying a defendant in this case

1 is an upper limit. That limit no longer applies.

2 What we have here, Your Honor, is a case in  
3 which -- if I can approach and hand this case to  
4 you?

5 I think this is one of those specific  
6 situations in which the standards necessarily  
7 don't have to apply. Rare and unique situations.  
8 And if you look at headnote 9 of this decision,  
9 Your Honor, this was a case in which the manifest  
10 weight of the evidence firmly established malice  
11 and substantial misconduct. In such a case,  
12 punitive damages are to be measured by the  
13 enormity of the offense entirely aside from the  
14 measure of compensation of the injured plaintiff.  
15 Then it goes on to note that you have situations  
16 where they may be reduced -- may be reduced by the  
17 Court after the fact based on the defendants' net  
18 worth.

19 We're in a situation here, Your Honor, where  
20 obviously the amount of the compensatory damages,  
21 economic damages, emotional distress damages that  
22 have been awarded by this jury are high. We don't  
23 know what's going to happen after this. They  
24 could be remitted. They could be addressed on  
25 appeal.

1           We're in a situation where the defendants'  
2           net worth, as you see from the stipulation, is at  
3           or below the amount of damages that have already  
4           been awarded by the jury. If this instruction on  
5           bankrupting them or financially destroying them is  
6           given to this jury and they're therefore precluded  
7           from awarding a significant amount of punitive  
8           damages, we're then in a situation where  
9           subsequently -- let's say, for example, the  
10          emotional distress award is remitted and the jury  
11          has entered a rather small punitive award in this  
12          case. We're left in a situation where a new trial  
13          is going to be necessary on punitive damages  
14          because the jury was sort of hamstrung by a  
15          bankruptcy or financial destruction type  
16          limitation which we don't think should apply in  
17          this case at all because there is no cap at this  
18          point.

19          We think the safer route is to let the jury  
20          decide the issue. In the instructions that you  
21          have, the financial resources instruction is still  
22          in there. The jury should consider that. Let  
23          them award the damages they think is appropriate  
24          without any kind of upper limit as the instruction  
25          actually describes it on financially destroying or

1 bankrupting. Then the Court after the fact can  
2 review that and based on the defendants' net worth  
3 can decide whether or not the punitive damages  
4 award needs to be reduced. But otherwise, I think  
5 we're taking an issue out of the province of the  
6 jury and it may require another trial down the  
7 road, which I don't think anybody here wants.

8 THE COURT: This Zambrano decision was in --  
9 was in 1986. Didn't the law on punitives change  
10 after this decision?

11 MR. VOGT: Yes, Your Honor. But I actually  
12 have Longwood Medical, if I can approach.

13 And this is actually a 2010 case. And they  
14 go through the same analysis, but if you look  
15 at -- it's actually referred to in footnote 35 of  
16 this decision. But they actually cite to the  
17 Zambrano case for the very same proposition, that  
18 where an upholding and equally substantial award  
19 of punitive damages, we said the punitive damages  
20 are to be measured by the enormity of the offense  
21 entirely aside from the measure of compensation of  
22 the injured plaintiff.

23 And both Longwood and Zambrano, Your Honor,  
24 were cases in which there were some -- what they  
25 found to be extremely reprehensible defamatory

1 statements made regarding the plaintiff. And I  
2 think that's analogous to what we have here,  
3 Your Honor, in terms of the conduct that  
4 Mr. Bollea suffered. And I think in those types  
5 of cases, you're in a situation where there  
6 shouldn't be caps on the punitive damages and --  
7 at least in terms of letting a jury decide that  
8 issue, what they think is an appropriate measure.  
9 Then we are always at that point free to come back  
10 to the Court.

11 I know certainly the defendants are going to  
12 come back to the Court and say, okay, the damages  
13 haven't been remitted, Judge, this punitive  
14 damages award is going to bankrupt us, it needs to  
15 be reduced. And we can address that.

16 But I think in all those situations where  
17 damages are reduced, it's an issue of review for  
18 you or for an appellate court. It's not an issue  
19 of hamstringing the jury so that they can't make a  
20 decision as to what they think is appropriate in  
21 terms of the measure.

22 So we think that at this point the  
23 instruction lets them consider -- that we've  
24 agreed to let's them consider the financial worth,  
25 doesn't set an upper limit. And that's something

1           that we can do later.

2           THE COURT: Thank you.

3           Mr. Safier.

4           MR. SAFIER: I'll try to take the points in  
5           reverse order, Your Honor.

6           As to his last point about the issue of not  
7           bankrupting the defendants to be dealt with by you  
8           in the posttrial phase, they're in the jury  
9           instructions. Right? The jury instructions make  
10          clear that that's a factor that the jury is  
11          supposed to consider. If they get it wrong,  
12          right, the trial court or an appellate court can  
13          deal with that. But the jury is supposed to  
14          consider it in the first instance. That's why  
15          it's in the jury instructions.

16          As for this issue of remittitur, we're here  
17          on the facts that we're here on. At this point,  
18          the facts are there's been a \$115 million  
19          compensatory damage reward. That might get  
20          reduced later and it might be an issue that will  
21          emerge with respect to a punitive damage award.  
22          But at this stage, we have to deal with the facts  
23          that we have, not the facts that we think might  
24          happen after the remittitur process plays itself  
25          out, when the appellate process plays itself out.

1 If the compensatory damage award gets reduced  
2 substantially, then you have a situation where  
3 they want to argue the punitive damages award  
4 would have been different had the jury initially  
5 awarded that compensatory award. We can deal with  
6 that. Maybe we do a new trial on punitive  
7 damages. But you don't -- you don't instruct the  
8 jury based on anticipation that their initial  
9 award won't withstand the subsequent proceedings.

10 THE COURT: But it sounds like your argument  
11 almost is what the plaintiffs would -- are  
12 arguing.

13 MR. SAFIER: I'm not sure I understand,  
14 Your Honor.

15 THE COURT: So if I give your instruction, it  
16 limits, right?

17 MR. SAFIER: Correct.

18 THE COURT: And so you're saying that you  
19 should deal with it as it is, not with what we're  
20 looking for in the future, whereas if you put a  
21 limit on it, that's not as it is, right?

22 MR. SAFIER: I'm not sure I understand. The  
23 limit on not bankrupting the defendant is clearly  
24 established in the law and a limit that the jury  
25 is supposed to consider, right?

1 THE COURT: I understand. But I'm saying in  
2 light of the stipulation of the parties, doesn't  
3 your instruction put a limit based on the  
4 stipulation?

5 MR. SAFIER: Right. The limit is completely  
6 in accordance with the law, completely in  
7 accordance with the instructions.

8 What I understand Mr. Vogt to say is if the  
9 jury is instructed to consider that they can't  
10 bankrupt defendants, given the size of the  
11 compensatory damage award, there's not much room  
12 left for punitive damages and that might create a  
13 problem if in subsequent proceedings the  
14 compensatory damage award is marked down.

15 All we're saying is if that issue emerges,  
16 that issue will be looked at. I don't think it's  
17 appropriate for us to deal with it now, to  
18 anticipate that the award is going to get knocked  
19 down in subsequent proceedings and then improperly  
20 instruct the jury on that basis.

21 Does that make sense, Your Honor?

22 The jury has awarded what it's awarded. That  
23 may get knocked down later. But at this point,  
24 those are the facts we're dealing with. The law  
25 provides, right, that the jury -- if the defendant

1 requests this instruction, the defendant gets that  
2 instruction. I don't see anything that would  
3 require departing from that basic legal framework.  
4 All I heard from Mr. Vogt is, well, it might  
5 create a problem down the line if other things  
6 happen. Our argument is that's an issue to be  
7 dealt with down the line. It's not an issue to be  
8 dealt with today.

9 THE COURT: But then that limits what the  
10 jury would do. And I'm hoping not to do this  
11 trial again. So I'm hoping that we're not going  
12 to be back here doing it again and we're dealing  
13 with what we have now as opposed to what we have  
14 in the future.

15 MR. SAFIER: Right. And the jury is limited  
16 based on the law on what they can do now.

17 We can -- have I dealt with your confusion?  
18 I feel like you're still confused, that I'm not  
19 making myself clear on this point.

20 THE COURT: I think we're all saying the same  
21 thing. We don't want to do it again in the  
22 future. I think the difference is -- I think your  
23 point is that your view is that the law requires  
24 this instruction, right?

25 MR. SAFIER: Correct, Your Honor.

1           THE COURT: And I think we're all basically  
2 saying the same thing. It's just a matter of  
3 interpretation.

4           MR. SAFIER: At this stage, you can't  
5 premise -- you can't instruct the jury based on  
6 the premise that they made an error in awarding  
7 damages. At this stage, we have to assume they  
8 did not. Later we'll sort that out. I think  
9 that's what Mr. Vogt's asking for, is that we --

10          THE COURT: You mean that the 115 was an  
11 error?

12          MR. SAFIER: Right, that we -- we depart from  
13 the usual regarding punitives on the assumption  
14 that the jury erred. We can't make an assumption  
15 now. That's all we're saying.

16          THE COURT: Well, I'm not making that  
17 assumption.

18          MR. SAFIER: Exactly. Correct. So we should  
19 stick with the normal jury instruction.

20                 On the last point about limits, there are  
21 three different limits on punitive damage awards.  
22 There's a statutory limit, and that doesn't apply  
23 here based on the jury's finding of intentional  
24 misconduct directed toward plaintiff. But there's  
25 also the constitutional due process limit that

1 still applies. And then there is this limit that  
2 you can't put the defendant into bankruptcy.  
3 We're dealing with three separate limits. Right?

4 Nothing about the statutory cap affects the  
5 third limit, which is a basic premise, which is,  
6 you know, a basic legal principle here that  
7 punitive damages cannot bankrupt the defendant.

8 THE COURT: All right. The Court is going to  
9 grant the inclusion of instruction 6.

10 Mr. Vogt, are you all going to -- can you add  
11 that in?

12 MR. VOGT: We can add that in, Your Honor.

13 THE COURT: And then can you make them one  
14 per page?

15 MR. VOGT: Yes, one per page.

16 THE COURT: And if you'll e-mail them to my  
17 assistant, we'll do multiple copies.

18 Anything else?

19 MR. SULLIVAN: Good morning.

20 THE COURT: Good morning, Mr. Sullivan.

21 MR. SULLIVAN: Your Honor, may I approach?

22 THE COURT: (Indicates affirmatively.)

23 MR. SULLIVAN: This is a motion in limine on  
24 the Williams case. It will be very brief.

25 Good morning. Defendants move in limine for

1 an order precluding plaintiff from presenting  
2 argument relating to harm allegedly suffered by  
3 persons other than plaintiff in Phase II.

4 In the Williams case, with which I think  
5 Your Honor is familiar, the United States Supreme  
6 Court held that the Constitution's due process  
7 clause forbids a state from using a punitive  
8 damage award to punish a defendant for injury  
9 inflicted upon nonparties. The Williams Court  
10 held that evidence of conduct toward others can,  
11 under limited circumstances, be admissible to show  
12 the reprehensibility of a defendant's conduct.  
13 Nevertheless, a trial court must ensure that the  
14 presentation of such evidence does not lead the  
15 jury to believe that it can award punitive damages  
16 to punish the defendants for these harms to these  
17 other folks. It has to be focussed on the harm to  
18 the plaintiff. The Court explained that the risk  
19 of misunderstanding is significant, and so when a  
20 court is requested, it must protect against that  
21 risk. Although the states have some flexibility,  
22 federal constitutional law obligates them to  
23 provide that protection in appropriate cases.

24 Here, plaintiff has been permitted, over  
25 defendants' objection, to put on substantial

1 evidence about harm that these defendants  
2 allegedly inflicted or caused other people other  
3 than himself. Defendants continue to believe that  
4 such evidence should not have been presented to  
5 this jury, should not have been presented at all,  
6 because the conduct at issue in those instances  
7 was not substantially similar to that at issue  
8 here.

9 Defendants now ask at this stage that  
10 plaintiff not present argument that -- about this  
11 harm to these people other than himself. Williams  
12 makes clear that to permit plaintiff to do so  
13 would constitute a violation of the defendants'  
14 due process rights.

15 THE COURT: Okay. Thank you.

16 Mr. Vogt.

17 MR. VOGT: Your Honor, we address this in  
18 instruction 3 in the agreed-upon jury  
19 instructions. It says, When determining the  
20 amount, if any, of punitive damages to be awarded,  
21 you may impose punitive damages to punish  
22 defendants only for the specific conduct you have  
23 concluded caused plaintiff harm. You may not  
24 award punitive damages to punish defendants for  
25 any injury it may have inflicted upon anyone other

1           than the plaintiff.

2           THE COURT: Tell me how practically this  
3 falls out. Give me a preview of what's to come.

4           Mr. Turkel.

5           MR. TURKEL: Judge, first of all,  
6 Mr. Sullivan's statement that over objection other  
7 act or prior bad act conduct was admitted for the  
8 purpose of attacking defendants is just wrong.  
9 That's not why it was admitted. The sidebars and  
10 the arguments will reflect that. It was admitted  
11 under 404(b) to prove knowledge of conduct. The  
12 reason is that the rules of evidence allow it. So  
13 I want to make sure at least our position is clear  
14 on that.

15           Secondly, instruction 3 handles it. We're  
16 not going to tell them to punish Gawker for what  
17 they did to Eric Dane or the girl on the bathroom  
18 floor in Indianapolis or some of these other  
19 things. That's not our intent to argue.

20           What we are allowed to argue is a jury in the  
21 punitive damages phase can send a message to  
22 Gawker and others similarly situated. The law is  
23 very clear on that. We're going to make that  
24 argument based upon the conduct that was directed  
25 at Mr. Bollea, which the jury has already found

1           that was with specific intent to harm him.

2           So that's my preview. We don't intend to get  
3           into this is our point. There is an instruction  
4           that tells the jury they can't consider it. So we  
5           weren't going to make it part of our presentation.

6           MR. SULLIVAN: So you're not going to rehash  
7           all that again?

8           MR. TURKEL: Eric Dane, bathroom floor,  
9           etcetera, no. No. That was not our intent. That  
10          evidence was offered for the purpose for which we  
11          proffered it to the Court for which you allowed it  
12          in and for no other purpose.

13          THE COURT: Okay. Thank you.

14          Mr. Berry.

15          MR. BERRY: We have one other motion in  
16          limine that we filed this morning.

17          May I approach?

18          THE COURT: You may.

19          MR. BERRY: This motion also is  
20          straightforward and revisits one of the earlier  
21          motions in limine in the case. It seeks to have a  
22          motion in limine allowing us to inform the jury of  
23          the federal court and Judge Whittemore's prior  
24          rulings in the injunction context.

25          During the liability phase of the case,

1 Your Honor said that we couldn't raise that  
2 decision. Plaintiff has argued to the jury that  
3 he should be compensated for the fact that  
4 defendants kept the video up until April 2013.  
5 Now, in the punishment phase, we believe we should  
6 be able to tell the jury why, specifically that  
7 Judge Whittemore on several occasions said that  
8 the post related to a matter of legitimate public  
9 concern, first in the temporary injunction  
10 context, then in the preliminary injunction  
11 context, and then when plaintiff again requested  
12 an injunction for copyright infringement.

13 We believe that it's unjust that this fact  
14 has been kept from the jury already. We believe  
15 that before the jury makes a decision on punitive  
16 damages, it should be told that another judge had  
17 stated that this was related to a matter of public  
18 concern.

19 THE COURT: Wow, okay. Mr. Turkel.

20 MR. TURKEL: Judge, given the history of  
21 injunctive relief in this case and the fact that  
22 the defendants, after you enjoined it from being  
23 up or a post out there, were on their websites  
24 saying, a judge told us to take this down and  
25 we're not going to do it anyway, we have stayed

1 out of that because injunctive relieve is a  
2 snapshot at a specific point in time. Certainly  
3 Judge Whittemore -- even Your Honor when you  
4 entered the preliminary injunction, the Second  
5 District when it reviewed that had little benefit  
6 of the incredible volume of evidence that has come  
7 before this jury. We don't think it's proper for  
8 anybody to argue the nuances of judicial orders  
9 that were written about the First Amendment at  
10 times. Even going back to Judge Whittemore, he  
11 didn't have the benefit of Toffolini at the time.  
12 We were arguing the Michaels case back then. So  
13 the balancing test wasn't even put before him  
14 during that stage as I recall.

15 So that being said, we don't think -- A,  
16 we're not -- and I can assure Mr. Berry and the  
17 Court, we're not going to focus on that aspect of  
18 this at all. But I think it's terribly improper  
19 for anybody to get up and talk to the jury about  
20 orders that were or were not issued by judges in  
21 this case.

22 MR. BERRY: Your Honor, just in brief, we  
23 understand that Your Honor ruled differently. We  
24 understand that the jury has now ruled  
25 differently. But to the extent that the plaintiff

1 is going to be asking the jury to assess a fine  
2 penalizing my clients for keeping the post up from  
3 the time period in mid October through the end of  
4 April, we believe that we should be permitted to  
5 explain part of the justification.

6 With respect to the post that Mr. Turkel  
7 mentioned, that would fall under Your Honor's  
8 ruling back in April of 2013. The post remained  
9 up. The words remained up. But the video was  
10 taken down and has remained down since. And as  
11 plaintiff has said repeatedly over the past couple  
12 weeks, he is not suing on the words. He is suing  
13 on the video, which was taken down after  
14 Your Honor ruled as you did.

15 We believe that Judge Whittemore's ruling and  
16 our reactions in response to each of those rulings  
17 is a mitigating factor on punitive damages that  
18 the jury ought to be able to consider.

19 THE COURT: You know, it just seems like  
20 you'll be putting on a law school class. I think  
21 it's complicated enough for lawyers to understand  
22 the various courts, the various issues, all the  
23 different legal issues. So the request is denied.

24 MR. BERRY: Thank you, Your Honor.

25 THE COURT: Anything else?

1           MR. BERRY: Just procedurally, the way that  
2 we understand that things will occur when we  
3 reconvene is that Your Honor will provide the  
4 instructions to the jury, read the stipulation,  
5 and we just move to closing arguments. I think  
6 that both sides are now in agreement on that, but  
7 I just wanted to make sure we're all clear as to  
8 that.

9           THE COURT: Okay. So is the plaintiff not  
10 putting on any kind of a case?

11          MR. TURKEL: Judge, less than probably ten  
12 minutes, just a small excerpt from Mr. Denton that  
13 affects financial issues, like a few lines and a  
14 piece of paper and then we'll be ready to argue.

15          MR. BERRY: Well, we would like to have an  
16 opportunity to discuss whether that's either  
17 cumulative or relevant, which at this point we  
18 don't know exactly what that is.

19          THE COURT: Well, why don't you all talk for  
20 a few minutes and I'll just sit.

21          MR. BERRY: The other thing, Your Honor, one  
22 thing that we would like to come to at the end of  
23 this is scheduling another hearing before  
24 Your Honor in advance. Each of -- the plaintiff  
25 is going to be filing motions, I understand, for

1       injunctive relief. We'll be filing posttrial  
2       motions. And then ultimately after those, just  
3       for scheduling purposes, I think we all thought it  
4       might make sense to get something on the calendar  
5       now.

6               THE COURT: How long do you all think that  
7       would take, 15 minutes?

8               MR. BERRY: At least. Perhaps a full day,  
9       Your Honor.

10              THE COURT: You can only imagine my calendar.

11              MR. BERRY: That's why I wanted to raise it  
12       now while we're all here together.

13              MR. TURKEL: I'm obviously not adverse to  
14       getting something on the calendar, Judge. And  
15       given the history of the case, I could not  
16       disagree that everything we do takes a day. So if  
17       we have to split it up, fine, whatever the Court  
18       wants.

19              We'll share -- we'll let them know what we're  
20       going to put on right now, if you want to take a  
21       short recess just to see if they're going to  
22       object. But, Judge, past that, we're going to put  
23       that on. I don't think there's any evidence under  
24       the stipulation coming from the defense. I'm  
25       going to talk to these folks.

1 Do I get rebuttal at this phase, Judge? I  
2 would think I get rebuttal at this phase.

3 THE COURT: Don't you always? Is anybody  
4 aware one way or the other?

5 MS. HUMPHRIES: Excuse me, Your Honor. I've  
6 participated in a number of Phase II trials and  
7 it's typically just the two closing arguments.  
8 It's very truncated.

9 MR. VOGT: I actually have a case that I can  
10 find where there's a specific reference to an  
11 expert witness being called during the plaintiff's  
12 rebuttal case.

13 THE COURT: Okay. Well, you all look that up  
14 and talk.

15 MR. TURKEL: Bigger point, Judge, whether  
16 it's 15 and five or a straight 20, whatever it is,  
17 I don't anticipate talking to these jurors for  
18 more than about 15 or 20 minutes on punitives.

19 THE COURT: Okay. Thanks. We'll be in  
20 recess. Chat among yourselves.

21 MR. BERRY: Thank you.

22 (Recess taken from 11:19 a.m. to 11:45 a.m.)

23 THE COURT: Thank you.

24 All right. So I have the jury instructions.  
25 Anything else?

1 MR. VOGT: We're fine on the evidence that --  
2 minimal evidence that we're going to offer.

3 THE COURT: Say that again. I'm sorry.

4 MR. VOGT: We've reached an agreement on the  
5 minimal evidence that we're going to offer.

6 THE COURT: All right. So, Mr. Safier,  
7 you're the only one sitting in the chair there.  
8 So --

9 MR. BERRY: I think they're just walking  
10 back, Your Honor. I don't think they realized you  
11 were taking the bench.

12 MR. SAFIER: We're definitely squared away on  
13 instructions and the verdict form.

14 Right, Mr. Vogt?

15 MR. VOGT: What?

16 MR. SAFIER: Instructions and verdict form,  
17 we're squared away?

18 MR. VOGT: Yes. I believe you have those.

19 THE COURT: Do you want to come up here and  
20 look at them and make sure they're satisfactory?  
21 Please affirmatively accept them on the record.

22 MR. VOGT: The plaintiff accepts, Your Honor.

23 THE COURT: Thank you.

24 MR. SAFIER: Defendants accept, too.

25 THE COURT: Okay. Thank you.

1 Anything else?

2 MR. SAFIER: That's it.

3 MR. VOGT: The verdict form as well?

4 THE COURT: This is the one he handed me.

5 Everybody accepts?

6 MR. SAFIER: Yes, we accept.

7 THE COURT: So the procedure will be the jury  
8 will be here at 1:00. I'll read the instructions,  
9 read the stipulation regarding defendants'  
10 financial worth. Plaintiff then will put on their  
11 minimal case and then we'll go right to closing  
12 arguments.

13 MR. SAFIER: I'm not sure whether we're going  
14 to --

15 MR. VOGT: They may put on something else as  
16 well, but I think it will be a couple documents.

17 THE COURT: I'll ask the plaintiff what you  
18 have to put on you before you rest, ask the  
19 defendants before you rest, are there any exhibits  
20 being moved in.

21 MR. VOGT: I think we will have one  
22 additional one that we're moving in and they'll  
23 have two.

24 THE COURT: Okay. Then I just send the jury  
25 out with the verdict form, right?

1 MR. VOGT: Right.

2 MR. SAFIER: Yes, Your Honor.

3 THE COURT: Great. Anything else for us to  
4 conduct?

5 MR. VOGT: That's it.

6 MR. SAFIER: I think we're good.

7 MR. VOGT: Were they coming back at 1:00 or  
8 1:30?

9 THE COURT: 1:00.

10 MR. VOGT: For some reason I had 1:30 in my  
11 head from Friday.

12 THE COURT: See everyone back at 1:00.

13 Mr. Berry, was there something else you  
14 wanted to bring to my attention before we break?

15 MR. BERRY: No. I think we worked everything  
16 out.

17 THE COURT: Okay. Thank you. Then we'll see  
18 everybody back at 1:00.

19 MR. SULLIVAN: Thank you, Your Honor.

20 (A lunch recess was taken at 11:49 a.m.)

21

22

23

24

25

## 1 REPORTER'S CERTIFICATE

2  
3 STATE OF FLORIDA :4 COUNTY OF HILLSBOROUGH :  
56  
7 I, Susan C. Riesdorph, RPR, CRR certify that I  
8 was authorized to and did stenographically report the  
foregoing proceedings and that the transcript is a true  
and complete record of my stenographic notes.9 I further certify that I am not a relative,  
10 employee, attorney, or counsel of any of the parties,  
11 nor am I a relative or employee of any of the parties'  
attorney or counsel connected with the action, nor am I  
financially interested in the outcome of the foregoing  
action.  
1213 Dated this 21st day of March, 2016, IN THE CITY  
OF TAMPA, COUNTY OF HILLSBOROUGH, STATE OF FLORIDA.14  
15 *Susan C. Riesdorph*16 Susan C. Riesdorph, RPR, CRR, CLSP  
17  
18  
19  
20  
21  
22  
23  
24  
25

IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT  
IN AND FOR PINELLAS COUNTY, FLORIDA  
CIVIL DIVISION

TERRY GENE BOLLEA,  
professionally known as HULK  
HOGAN,

Plaintiff,

Case No.

12-012447-CI-011

vs.

GAWKER MEDIA, LLC, aka GAWKER  
MEDIA, NICK DENTON; A.J.  
DAULERIO,

Defendants.

\_\_\_\_\_/

TRIAL PROCEEDINGS BEFORE  
THE HONORABLE PAMELA A.M. CAMPBELL,  
and a jury

DATE: March 21, 2016

TIME: 12:57 p.m. to 5:46 p.m.

PLACE: Pinellas County Courthouse  
545 1st Avenue North  
Courtroom A  
St. Petersburg, Florida

REPORTED BY: Aaron T. Perkins, RPR  
Notary Public, State of  
Florida at Large

Volume 31  
Pages 3880 to 3930

## 1 APPEARANCES:

2 CHARLES J. HARDER, ESQUIRE  
3 Harder, Mirell & Abrams, LLP  
4 1925 Century Park East  
Suite 800  
5 Los Angeles, California 90067

6 - and -

7 KENNETH G. TURKEL, ESQUIRE  
8 SHANE B. VOGT, ESQUIRE  
Bajo Cuva Cohen & Turkel, P.A.  
100 North Tampa Street  
Suite 1900  
9 Tampa, Florida 33602

10 - and -

11 DAVID R. HOUSTON, ESQUIRE  
12 The Law Office of David R. Houston  
432 Court Street  
13 Reno, Nevada 89501

14 Attorneys for Plaintiff  
15  
16  
17

18 APPEARANCES CONTINUED:  
19  
20  
21  
22  
23  
24  
25

1 APPEARANCES CONTINUED AS FOLLOWS:  
2

3 MICHAEL D. SULLIVAN, ESQUIRE  
4 SETH D. BERLIN, ESQUIRE  
5 PAUL S. SAFIER, ESQUIRE  
6 Levine Sullivan Koch & Schulz, LLP  
7 1899 L Street, N.W.  
8 Suite 200  
9 Washington, D.C. 20036

10 - and -

11 MICHAEL BERRY, ESQUIRE  
12 Levine Sullivan Koch & Schulz, LLP  
13 1760 Market Street  
14 Suite 1001  
15 Philadelphia, Pennsylvania 19103

16 - and -

17 GREGG D. THOMAS, ESQUIRE  
18 RACHEL E. FUGATE, ESQUIRE  
19 Thomas & LoCicero, P.L.  
20 601 South Boulevard  
21 Tampa, Florida 33606

22 - and -

23 CELENE H. HUMPHRIES, ESQUIRE  
24 Brannock & Humphries, P.A.  
25 1111 West Cass Street  
Suite 200  
Tampa, Florida 33606

Attorneys for Defendant Gawker Media, LLC,  
et al.

1  
2  
3 ALSO PRESENT:

4 Terry Bollea  
5 Nick Denton  
6 John Dackson, media technician  
7 Tim Piganelli, media technician  
8 Seema Ghatnekar  
9 Maureen Walsh  
10 Michael Foley  
11 Jeff Anderson  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 next day?

2 MR. TURKEL: 25th.

3 THE COURT: Okay.

4 (Discussion off the record.)

5 THE COURT: It looks like May 25th is the  
6 next day. Okay. I will have Teresa do a case  
7 management order on that day to reserve it.

8 MR. BERRY: Okay. We'll schedule it.

9 THE COURT: Anything else?

10 MR. TURKEL: Nothing, Judge, from the  
11 plaintiff.

12 THE COURT: Okay. All right. Let's go ahead  
13 and bring in the jury, please.

14 THE BAILIFF: Yes, Judge.

15 (The jury returned to the courtroom at  
16 1:02 p.m.)

17 THE COURT: Thank you. Everyone else can be  
18 seated.

19 So welcome back. Thank you.

20 Hopefully you-all had a great, restful  
21 weekend.

22 Before we get started, would each of you  
23 please raise your right hand?

24 (The jury was duly sworn to tell the truth.)

25 THE COURT: Have you each of you been able to

1 follow my instructions over the course of the  
2 weekend? That is, not to talk to anybody about  
3 the people or parties involved in this case, not  
4 to do any of your own research, including going  
5 online or looking anything up, and not reading any  
6 of the media reports about this specific case?

7 (Jurors answered "yes.")

8 THE COURT: Thank you so much. I appreciate  
9 it.

10 So on your chairs this morning when you came  
11 in are further instructions.

12 So members of the jury, I am now going to  
13 tell you about the rules of law that apply to  
14 determining what amount of punitive damages, if  
15 any, should be assessed.

16 When I finish these instructions, the parties  
17 will present additional evidence. You should  
18 consider this additional evidence along with the  
19 evidence already presented, and you should decide  
20 any disputed factual issues by the greater weight  
21 of the evidence.

22 Greater weight of the evidence means the more  
23 persuasive and convincing force and effect of the  
24 entire evidence in the case.

25 You are to decide the amount of punitive

1 damages, if any, to be assessed as punishment  
2 against the defendants as a deterrent to others.  
3 This amount would be in addition to the  
4 compensatory damages you have previously awarded.

5 In making this determination, you should  
6 consider the following:

7 (A). The nature, extent, and degree of  
8 misconduct and the related circumstances,  
9 including the following:

10 1. Whether the wrongful conduct was  
11 motivated solely by unreasonable financial gain.

12 2. Whether the unreasonable -- unreasonably  
13 dangerous nature of the conduct together with the  
14 high likelihood of injury resulting from the  
15 conduct was actually known by Gawker Media, LLC,  
16 Nick Denton, and/or A.J. Daulerio.

17 And 3. Whether at the time of loss, injury  
18 or damage, Gawker Media, LLC, Nick Denton, and/or  
19 A.J. Daulerio had a specific intent to harm  
20 Terry Bollea, and the conduct of Gawker Media,  
21 LLC, Nick Denton, and/or A.J. Daulerio, did, in  
22 fact, harm Terry Bollea.

23 And (B). The financial resources of Gawker  
24 Media, LLC, Nick Denton and/or A.J. Daulerio.

25 And (C). The degree of reprehensibility of

1 defendants' actions, including the following  
2 factors:

3 1. Whether the harm was physical as opposed  
4 to economic;

5 2. Whether the conduct evinced an  
6 indifference to or reckless disregard of the  
7 health or safety of others;

8 3. Whether the target of the conduct had  
9 financial vulnerability;

10 4. Whether the conduct at issue involved  
11 repeated actions or was an isolated incident;

12 And 5. Whether the harm was the result  
13 intentional malice.

14 You may, in your discretion, decline to  
15 assess punitive damages. You may assess punitive  
16 damages against one defendant and not the others,  
17 or against more than one defendant. Punitive  
18 damages maybe assessed against different  
19 defendants in different amounts.

20 When determining the amount, if any, of  
21 punitive damages to be awarded, you may impose  
22 punitive damages to punish defendants only for the  
23 specific conduct that you have concluded caused  
24 plaintiff harm.

25 You may not award punitive damages to punish

1 defendants for any injury it may have inflicted  
2 upon anyone than the plaintiff.

3 The amount of punitive damages you award, if  
4 any, must not be unreasonably large when  
5 considered in relation to the amount of  
6 compensatory damages that you have already awarded  
7 the plaintiff.

8 If you decide to award punitive damages  
9 against the defendant, the award should be no  
10 greater than the amount that you find necessary to  
11 punish defendants for the conduct you have  
12 concluded caused harm to plaintiff and to deter  
13 defendants and others similarly situated from  
14 engaging in such conduct in the future.

15 You should also take into consideration any  
16 mitigating evidence. Mitigating evidence is  
17 evidence that may demonstrate that there is no  
18 need for punitive damages or that a reduced amount  
19 of punitive damage should be imposed against  
20 defendants. You may not award an amount of  
21 punitive damages that would financially destroy or  
22 bankrupt any of the defendants.

23 So that is the -- that is the instruction  
24 that you have for this. So at this point in time,  
25 we're going to go ahead and you will hear the

1 evidence from both parties, and then I will give  
2 you your final closing instruction at the end.

3 Mr. Turkel.

4 MR. TURKEL: Yes, Your Honor.

5 THE COURT: Oh, I do have one more -- I'm  
6 sorry -- before you get to that.

7 MR. TURKEL: I'm sorry.

8 THE COURT: I'm sorry. There was one  
9 additional thing I need to read to you.

10 So to streamline the remaining issues in this  
11 case, the parties stipulate to the following  
12 solely for the purpose of punitive damages phase  
13 of the trial.

14 Solely for the purposes of present net worth  
15 as it relates to punitive damages in this  
16 litigation, the defendant Gawker Media, LLC, has a  
17 prejudgment present value of \$83,000,000. Gawker  
18 Media, LLC's gross revenues -- i.e., before  
19 expenses -- for 2015 were approximately \$48.7  
20 million.

21 Number 2. The defendant Nick Denton's  
22 principal assets, the shares he owns in Gawker  
23 Media Group Incorporated -- GMGI is what they  
24 refer to it as -- the privately held parent  
25 company of Gawker Media, LLC, for the purposes of

1 present net worth solely for determining punitive  
2 damages in this litigation, GMGI, Gawker Media  
3 Group Incorporated, has a prejudgment present  
4 value of \$276,000,000, and GMGI's gross revenues  
5 in 2015 were \$49,951,750.

6 The present value of the portion of GMGI  
7 owned by Mr. Denton solely for purposes of  
8 punitive damages in this litigation is  
9 \$117,000,000.

10 Mr. Denton's assets, other than his shares of  
11 GMGI, total approximately \$3.6 million. These  
12 assets include the equity in his New York City  
13 condominium, the contents of his home, bank and  
14 retirement accounts, and shares in Box, B-O-X,  
15 Incorporated. Thus, Mr. Denton's total  
16 prejudgment present net worth solely for purposes  
17 of punitive damages in this litigation is  
18 \$121,000,000.

19 And the defendant A.J. Daulerio has no  
20 material assets, and his student loan debt in the  
21 amount of \$27,000.

22 All right. Thank you. Mr. Turkel, now. I'm  
23 sorry.

24 MR. TURKEL: Yes, Your Honor. Plaintiffs  
25 offer Plaintiff's 563 into evidence.

1 THE COURT: Any objection?

2 MR. SULLIVAN: No objection, Your Honor.

3 THE COURT: All right. Received, then,  
4 Plaintiff's 573 [sic].

5 (Plaintiff's Exhibit 563 received.)

6 MR. TURKEL: I have no further evidence other  
7 than that which was admitted in the main case.

8 THE COURT: All right. Then plaintiffs rest  
9 at this time?

10 MR. TURKEL: We rest.

11 THE COURT: Thank you.  
12 Defense?

13 MR. SULLIVAN: Defendants move in exhibits --  
14 Defendant Exhibit 515 and Defendant Exhibit 900.

15 THE COURT: Any objection?

16 MR. TURKEL: None now, Judge.

17 THE COURT: All right. Then Defense 515 and  
18 900 will be received.

19 MR. BERRY: Thank you, Your Honor.

20 (Defendants' Exhibits 515 and 900 received.)

21 THE COURT: Anything additional from the  
22 defense?

23 MR. BERRY: No, Your Honor.

24 THE COURT: Defense rests?

25 MR. BERRY: Yes, Your Honor.

1 THE COURT: Thank you.

2 Mr. Turkel, close.

3 MR. TURKEL: Yes, Your Honor.

4 THE COURT: Thank you.

5 MR. TURKEL: May it please the Court and  
6 counsel. Members of the jury, welcome back.

7 I want to go through -- this presentation  
8 won't be nearly as long we talked last week. The  
9 issues are much more narrow for you to consider.  
10 Obviously, you have heard the instructions, which  
11 were much more narrow than the instructions you  
12 were given in the main case.

13 But I want to talk about the purpose of  
14 punitive damages, because Judge Campbell has  
15 instructed you on that already, and just touch a  
16 little bit on the fact that the purpose of  
17 punitive damages is for you to decide the amount,  
18 if any, to be assessed as punishment against  
19 defendants and as a deterrent to others.

20 And in that respect, you occupy a unique  
21 place. You occupy the ability to send a message.  
22 And the simple message that relates to this case  
23 is that the line is drawn at the publication,  
24 without consent, of a recording of a private act  
25 in a private bedroom. And you can send that

1 message to Gawker for their conduct in this case,  
2 and you send it to others similarly situated. And  
3 that's not my language, that is the language of  
4 the law. And in that respect, it's a unique  
5 opportunity for a jury.

6 You sat here for, jeez, two weeks, three, I  
7 guess, if we count jury instruction. You took  
8 copious notes, you listened to lawyers argue for  
9 three hours, and you know this case. I am not  
10 going to go back through it -- through it a all  
11 with you, because you heard all the evidence and  
12 you were attentive throughout.

13 You are to use your knowledge of that  
14 evidence and some of the additional evidence we're  
15 going to talk about now to find this number. And  
16 I'm going to tell you right now, I'm not going to  
17 give you a number. It's very similar to the  
18 emotional distress damages in the sense that you  
19 are the jury, you saw the evidence, that is your  
20 province. And in the jury instructions that you  
21 take back with you, one guiding light that you get  
22 from the law is that the amount of punitive damage  
23 you will award, if any, must not be unreasonably  
24 large when considered in relation to the amount of  
25 compensate damages you have awarded to the

1 plaintiff.

2 So you have somewhat of a guide there in that  
3 you have already assessed compensatory damages. I  
4 would submit to you that that's a good guide for  
5 you to use and that punitives should not be  
6 unreasonably large as compared to that  
7 compensatory award. But it does give you some  
8 guidance, set some baseline.

9 In that respect, I want to talk about what I  
10 think the issue will be, because you're allowed to  
11 consider the defendants' net worth, their  
12 financial value, or I think the language they use  
13 here are the financial resources of the defendant.  
14 And in that respect, we just submitted a document  
15 into evidence, No. 563.

16 If, John, you can pull that up right now.

17 I want to talk about it. Because one of the  
18 things you were just read from Judge Campbell is  
19 the stipulation that Nick Denton's principal asset  
20 is the shares he owns in Gawker Media Group, a  
21 privately held parent of Gawker Media, LLC, which  
22 has a prejudgment present value of \$276,000,000,  
23 gross revenues of close to 50,000,000.

24 This is going to test your memories just a  
25 little bit, but I want --

1           John, if you can go to page 2 of that.

2           This document is in evidence right now. And  
3           if you if look up there in the first paragraph,  
4           you will see that Gawker Media Group, Inc., the  
5           parent, owns and develops intellectual property --  
6           or owns Kinja, and Kinja owns and develops  
7           intellectual property, which is licensed to Gawker  
8           Media, LLC, for publishing editorial properties.

9           What that tells you is this, if I can take  
10          you through it. Denton's primary asset is stock  
11          in this company. This company owns Kinja. Kinja  
12          owns all the intellectual property, the website  
13          names, their software platforms, etc. And so when  
14          the defense, you know, will talk to you about the  
15          fact that Nick Denton may have a net worth of  
16          \$121,000,000, the truth of the matter is, is his  
17          stock in this company -- this company owns  
18          everything. They do everything. They can publish  
19          other websites. They own the name Gawker.

20          And that's a point that we think is very  
21          important when it relates to the financial  
22          resources. This is the company that has a present  
23          value, according to the stipulation, of  
24          \$276,000,000. And, again, I think Mr. Kidder  
25          testified in this trial that they owned the

1 intellectual property, which allows the Gawker  
2 world to exist in perpetuity.

3 In that respect, in that respect, considering  
4 those financial resources, your punitive award can  
5 take that into account, can take into account that  
6 this parent company can continue to operate Gawker  
7 properties, because it owns the actual  
8 intellectual property which serves as the platform  
9 for that.

10 Equally speaking, I want to touch on --

11 If you could take it to the bottom of that  
12 page, John.

13 Now, this document, by the way, for your  
14 benefit --

15 John, the last sentence, I think, on that  
16 page.

17 This document, for your benefit, is a pitch  
18 document. This is what Gawker prepared to send to  
19 investors to review. This is Gawker bragging  
20 about Gawker to people that may invest in Gawker.

21 Over the last 12 years, Gawker Media has  
22 expanded its early suite of blogs, it says, to a  
23 professional publishing stable of eight owned and  
24 operated online media properties in multiple  
25 consumer verticals reaching over 126,000,000

1 global unique visitors.

2 I am not going to talk about unique visitors  
3 again. You know what unique visits are.

4 I would tell you, if you remember back to  
5 Anderson's testimony, he valued a unique visitor,  
6 I think, at \$6.25 per unique.

7 If we look at the last two, I believe, the  
8 last two paragraphs on that page --

9 Are we on page -- we're still on page 2. Go  
10 to page 8, if you could, John.

11 And we look at what Gawker was telling its  
12 potential investors at this time. It provides,  
13 with impressive revenue performance, a strong  
14 balance sheet, and an immense strategic expansion  
15 opportunity ahead of it, the company --

16 THE COURT: Mr. Turkel?

17 MR. BERRY: May we approach?

18 THE COURT: Yes.

19 MR. TURKEL: Was there an objection?

20 MR. BERRY: Yes.

21 THE COURT: Yes.

22 MR. TURKEL: Oh, okay.

23 (At the bench)

24 THE COURT: I thought you told me 573. It's  
25 563.

1 MR. TURKEL: I said 563.

2 MR. BERRY: He said 563.

3 THE COURT: He said 563?

4 MR. BERRY: Yeah. We're on the same page.

5 MR. TURKEL: Judge, that is downstairs, and  
6 I'll go get it.

7 THE COURT: Okay. Go ahead.

8 MR. BERRY: Gawker Media Group and Kinja are  
9 not parties here. Their conduct and what they  
10 tell the world really isn't irrelevant. The only  
11 reason this is relevant is to establish Nick  
12 Denton's net worth. And we have stipulated to  
13 that. What they do in their conduct really has no  
14 issue in this.

15 MR. TURKEL: I think that's what I just  
16 argued, that his main asset is ownership in this  
17 company, and this company owns everything. It's  
18 in the stipulation.

19 MR. BERRY: Right. That's why going on  
20 length at about how many unique visitors this  
21 company has and what it can do with the Kinja  
22 property --

23 Okay. Gawker Media Group is not a party to  
24 this case, and Kinja is not either. What they can  
25 or can't do after today is irrelevant.

1 MR. TURKEL: What Nick Denton's main asset  
2 is, is relevant. They stipulated to his main  
3 asset being this company. This company does what  
4 does. I'm trying to tell the jury what his main  
5 asset is.

6 THE COURT: Okay.

7 MR. BERRY: As long as it's confined to net  
8 worth, that's fine. But I mean, this is going on.

9 MR. TURKEL: But that was the premises of  
10 everything when I started that whole argument, was  
11 telling them this is his main asset, and look what  
12 his main asset can do.

13 MR. BERRY: Okay.

14 MR. TURKEL: I thought that's what I said.

15 THE COURT: Thank you. You did.

16 (In open court)

17 MR. TURKEL: John, can you bring that back  
18 up?

19 If you continue to look at the information  
20 about Mr. Denton's main asset, it goes on to say,  
21 There is significant enterprise value in Gawker  
22 Media Group with comparable public and private  
23 companies valued at four to six times revenues.  
24 With superior historical growth and profitability  
25 as well as a robust outlook for the future, the

1        company expressed enterprise value and continued  
2        to grow significantly.

3                If we could pull up 22, John.

4                There is a chart in this document. This  
5        document is now in evidence. And that chart  
6        actually shows the expansion of Gawker Media  
7        Group's audience, particularly it's hold on its  
8        prize target, which are Millennials. And you see  
9        that chart there. Again, this document is in  
10       evidence. You can see the growth pattern, which  
11       in some respects comports almost directly with  
12       what Mr. Anderson testified to.

13               And then if you go to page 23 of this  
14       document, you see a ranking of media publishers  
15       and their Millennial audiences. And Gawker's fits  
16       at No. 2, squarely beneath BuzzFeed. And you see  
17       the media companies which it outranks. And the  
18       language in the paragraph underneath, that they  
19       are highly interactive, with 9.5 million of them  
20       following Gawker Media Group Properties on  
21       Facebook and Twitter, and 2.78 million registered  
22       users, leaving over 26,700 comments per day to  
23       drive news discussions.

24               Again, this is Mr. Denton's main asset.

25               If you go to page 33 of this document --

1           And again, this is a long document. And  
2           we're just highlighting some things that can show  
3           you the financial resources at play with the main  
4           asset of Nick Denton.

5           The editorial department at Gawker Media  
6           Group drives the independent news journalism and  
7           opinion writing that have earned the company both  
8           acclaim and scorn for publishing what few others  
9           will.

10          So even at a time when it's a pitching itself  
11          to investors, we get this pride, this badge of  
12          honor that we do things that others won't.

13          Which takes me back to the initial thought I  
14          gave you, which is this:

15          You send a message. You make a statement.  
16          That statement is we're not -- we're going to draw  
17          the line. And you remember the test, the line?  
18          Literally, you draw the line at the publication  
19          without consent of a private act recorded in a  
20          private bedroom.

21          I want to touch briefly for you on some of  
22          the jury instructions, just to point out to you  
23          how you get there. And I think -- I don't know if  
24          you-all have a copy there --

25          But, John, could you bring those up or not?

1           Like many things that you have been  
2           instructed on, it all seems to revolve around your  
3           common-sense appreciation of the evidence. And if  
4           you look at instruction No. 2, sub (A), when  
5           you're determining the amount of punitive damages,  
6           you're supposed to look at the nature, extent and  
7           degree of misconduct and the related  
8           circumstances, including the following.

9           Not all of these apply. These instructions  
10          are built for a wide variety of cases.

11          But if you look at No. 1, (A)(1), whether the  
12          wrongful conduct was motivated solely by  
13          unreasonably financial gain.

14          I probably spent about 45 minutes talking to  
15          you about that on Friday.

16          Whether at the time of loss, injury or  
17          damage, No. 3, Gawker Media and/or Nick Denton  
18          and/or A.J. Daulerio had a specific intent to harm  
19          Terry Bollea.

20          We could not have been more poignant in the  
21          evidence we showed you over three weeks about that  
22          specific point, down to the simple fact that  
23          nobody cared. I mean, literally, everything was  
24          done with a reckless and complete disregard for  
25          care and a specific and intent to harm this man.

1           Like I said right there, we just discussed  
2           (B), the financial resources of the companies and  
3           the defendants. And I'm not going to argue to the  
4           A.J. Daulerio had some sort of huge net worth,  
5           because he doesn't. He just he doesn't. He  
6           doesn't own the stock and so forth.

7           On sub (C), you're allowed to look at the  
8           degree of reprehensibility of defendants' actions,  
9           including the following factors:

10          Number 2. Whether the conduct evinced an  
11          indifference to or reckless disregard of the  
12          health or safety of others.

13          If you look at Nos. 4 and 5, whether the  
14          conduct at issue involved repeated actions or was  
15          an isolated incident and whether the harm was the  
16          result of intentional malice.

17          And you hear these words "reckless disregard"  
18          again and again, "intentional malice," "specific  
19          intent," because the law is going to punish that  
20          kind of conduct. That's your province as the  
21          jury. And as I said, it is solely your province  
22          when go back there.

23          If you look at instruction No. 5 --

24          Have we got that, John? It's page 3. There  
25          we go.

1           When determining the amount, if any, of  
2           punitive damages to be awarded, you may impose  
3           punitive damages to punish defendants only for the  
4           specific conduct that you have concluded caused  
5           the plaintiff harm. You may not award punitive  
6           damages to punish defendants for any injury it may  
7           have inflicted --

8           That's the wrong 5. You've got 3 up there.  
9           I'm reading 3.

10          THE COURT: Mr. Turkel?

11          MR. TURKEL: Yes, Your Honor?

12          THE COURT: You have five minutes.

13          MR. TURKEL: There we go. Sorry.

14                The award should be no greater than the  
15                amount that you find necessary to punish  
16                defendants for the conduct you have concluded  
17                caused harm to plaintiff and to deter defendants  
18                and others similarly situated from engaging in  
19                such conduct in the future.

20                Ladies and gentlemen, you're verdict form is  
21                very simple. It's going to have blanks. And I'm  
22                going to show it to you, if you can get it up  
23                quick enough.

24                There it is right there. This isn't as  
25                involved a process. You have heard the evidence,

1           and at this point the duty is to go ahead and  
2           assess punitives in an amount. You can deter  
3           others, you can deter Gawker. And I would suggest  
4           you use what you've already awarded in  
5           compensatories as a guideline for that.

6           This isn't as involved a presentation. This  
7           is something that solely rests in your province  
8           when you go back there.

9           I have saved five minutes. I get to speak  
10          last. And I will address you again after the  
11          defendants. Thank you.

12          THE COURT: Thank you, Mr. Turkel.

13          Mr. Berry?

14          MR. BERRY: Thank you, Your Honor.

15          May it please the Court. Ladies and  
16          gentlemen of the jury.

17          As you know, my name is Mike Berry. I'm  
18          counsel for the defendants.

19          For two weeks, as Mr. Turkel said, both sides  
20          presented evidence, both sides presented  
21          testimony, both sides presented argument. After  
22          sitting here for those two weeks, seeing those  
23          presentations, you-all have rendered a verdict.  
24          You have spoken, and we have heard your judgment.  
25          We have heard your judgment, and we take it very

1 seriously. \$115,000,000.

2 You are now being asked to punish my clients  
3 further, an additional punishment that is  
4 unnecessary. \$115,000,000 is punishment enough.

5 The judge has told you that in this phase of  
6 the trial, when awarding punitive damages, she has  
7 told you that you must consider my client's  
8 financial resources. The amount that you have  
9 rendered in your verdict is already far beyond  
10 their means, \$115,000,000.

11 Mr. Turkel told you last week in his closing  
12 argument, that kind of money, hundreds of millions  
13 of dollars, he told you, quote, that's the world  
14 these guys live in. It's a world of their  
15 economics.

16 That's what you were told, but that's not the  
17 world of Gawker Media, Mr. Denton, or  
18 Mr. Daulerio. That's simply not the world they  
19 live in.

20 You have now heard from the Judge that  
21 defendant Gawker Media is worth \$83,000,000. That  
22 means that if somebody were going to buy that  
23 whole company, the entire company, all eight  
24 websites, all of its assets, that is how much it  
25 would be sold for. That's it. That's the value

1 of the entire company.

2 And you've also heard from the Judge how much  
3 money Gawker Media actually makes. You've heard  
4 that last year Gawker Media, the entire company,  
5 made a total of \$48.7 million in gross revenue.  
6 That's how much money came in the door before any  
7 expenses, before it paid its employees, before it  
8 paid its rent, before it paid for anything.  
9 That's how much money it took in.

10 Now, after paying all of those expenses, it  
11 must pay an award of \$115,000,000.

12 This is the equivalent of a person having a  
13 \$50,000 salary, needing to pay his rent or his  
14 mortgage, needing to buy his groceries, his  
15 clothes, fill the car with gas, needing to pay for  
16 insurance and utility bills, phone bills and other  
17 expenses, and then still owing someone two and a  
18 half times more than their salary after paying  
19 those expenses. That's the position that Gawker  
20 Media is now in.

21 Gawker Media owes \$115,000,000. That exceeds  
22 the value of the entire company by \$30,000,000.  
23 It exceeds last year's revenue by more than  
24 \$65,000,000. The amount of the verdict already  
25 rendered, the amount of that verdict,

1       \$115,000,000, that amount already could be  
2       debilitating for the Gawker Media.

3               That amount already has punished Nick Denton  
4       more than enough. He's poured his savings into  
5       the company. As you just heard from Mr. Turkel,  
6       his main asset is his own ownership interest in  
7       Gawker Media's parent company, GMGI. That company  
8       is not a party to this case. It's not before you  
9       to be held liable. It's not before you to be  
10      punished.

11             You have heard from Mr. Turkel about  
12      projections about that company, but you have also  
13      heard from the Judge about the reality. Gawker's  
14      parent company, GMGI, the company that owns Gawker  
15      Media, made \$50,000,000 total revenue last year.  
16      Mr. Denton owns a percentage of that company.  
17      Besides that, besides that ownership interest, he  
18      has total assets of -- besides that, he has total  
19      assets, as the judge told you of \$3.6 million.  
20      That includes his home, his checking account, his  
21      savings account, his retirement funds.  
22      Everything. \$3.6 million. The verdict already  
23      rendered will be financially devastating to  
24      Mr. Denton.

25             The \$115,000,000 verdict, as Mr. Turkel told

1       you, that means financial ruin for Mr. Daulerio.  
2       As the Judge explained to you, he has no material  
3       assets. He has student loans totaling thousands  
4       of dollars. He will never be able to pay  
5       \$115,000,000.

6             My clients have heard your judgment. That  
7       judgment is serious and it is clear and it is  
8       punishment enough.

9             As the judge told you, you have the  
10      discretion to decline to award punitive damages.  
11      We ask that you exercise that discretion. Your  
12      compensatory damage award has already punished my  
13      clients.

14            Still, if you heed plaintiff's request and if  
15      you believe additional punishment should be meted  
16      out, we ask that the ratio between the  
17      \$115,000,000 compensatory damage award and the  
18      punitive damages award be low. Any additional  
19      punishment should be small. If anything, it  
20      should be just enough to send a message, to send a  
21      message that you believe that some punishment is  
22      appropriate. At this point, that punishment  
23      should be small. As I said, the message is  
24      already clear. As the damages you have leveled  
25      are severe, another large award is not necessary.

1           The Judge has told you that if you choose to  
2           award punitive damages, you should only award what  
3           is necessary to punish Gawker Media, Mr. Denton,  
4           and Mr. Daulerio, and as Mr. Turkel reminded you,  
5           to deter others.

6           As I have said, your verdict has already  
7           punished my clients, and it will no doubt deter  
8           others. Your verdict will send a chill down the  
9           spine of publishers, producers, and writers  
10          throughout the country. It has sent a message of  
11          deterrence already. Men and women in media  
12          throughout the United States will surely think  
13          twice before publishing or broadcasting anything  
14          about a public figure that is even close to the  
15          line, let alone anything in an area that seems  
16          gray. Nothing more is needed. Your verdict will  
17          deter. It is enough.

18          We ask you to consider carefully the  
19          consequences of your decision here. Your verdict  
20          has already spoken loudly, and it could have  
21          far-reaching ramifications. Nothing more is  
22          required.

23                 Thank you for your attention.

24                 THE COURT: Thank you, Mr. Berry.

25                 Mr. Turkel?

1 MR. TURKEL: Thank you, Judge. I will be  
2 very brief.

3 It's interesting to me when a defendant comes  
4 before a jury and talks about how your message has  
5 been heard loud and clear after they spent two  
6 weeks telling how proud they were of what they  
7 did.

8 Your damage award in compensatories was not  
9 punitive. The first component of it was economic  
10 damages, the value that they received from  
11 publishing this and the lost value that Mr. Bollea  
12 was deprived of. Those are financial damages.

13 The pain and suffering, you have to ask  
14 yourself this question when the defense comes up  
15 and tells you everybody has heard it loud and  
16 clear. These are unique facts. We have any  
17 iconic figure who is on the world stage. Now,  
18 maybe the message gets out to the media and maybe  
19 the media people that Mr. Berry was just talking  
20 think twice before they do this to a celebrity.  
21 But when there is not the numbers at stake, when  
22 there is not \$55,000,000 of economic damages  
23 because it's not going to drive 7,000,000 unique  
24 visitors to their site, it's some private person,  
25 somebody who just happened to be unfortunate

1 enough to have a sex tape end up in the hands of  
2 one of these companies, and it's only going to be  
3 \$15,000 worth of value, or \$50,000. And they look  
4 at this case --

5 MR. BERRY: Your Honor?

6 (At the bench)

7 MR. BERRY: He can't be arguing about harm to  
8 others.

9 MR. TURKEL: No. I think when he argues that  
10 the media has heard you loud and clear, I can  
11 certainly argue that they're supposed to deter  
12 others similarly situated, which means media  
13 companies who get sex tapes.

14 THE COURT: Well, but I think you're going  
15 down the path of other individuals for 15 or 20 or  
16 whatever the amounts were the jury can think.  
17 So --

18 MR. TURKEL: I will shift out of it, if that  
19 was --

20 THE COURT: Okay.

21 (In open court)

22 MR. TURKEL: Are you good?

23 THE COURT: Yes. Go ahead, Mr. Turkel.

24 MR. TURKEL: A punitive award with specific  
25 instructions to you to deter Gawker and others

1        similarly situated gives you the right to draw the  
2        line, to send that message that the publication  
3        without consent of a sex tape taken in a private  
4        bedroom between private people is not fair game.

5            When we look -- and I'm going to go back to  
6        this idea that Gawker is worth -- I think the  
7        stipulation was \$83,000,000. The reason why I  
8        focused on Gawker Media Group, the parent, is  
9        because the stipulation says that is Mr. Denton's  
10       main asset. Gawker Media, the website itself,  
11       does not own its own intellectual property. The  
12       other company, which compromises the bulk of  
13       Mr. Denton's present worth, owns all of that.

14           And so to deter -- Mr. Berry is hundred  
15       percent right. They're not a party to the suit.  
16       They are on this stipulation as a reflection of  
17       Mr. Denton's main asset. And the truth of the  
18       matter is, is they own all the IP, they can open  
19       all the websites, they own the software, and he  
20       owns it. So in assessing his present worth,  
21       you're to consider financial resources. That's  
22       the word that's used on page 3 of your  
23       instructions, section (B), the financial resources  
24       of Gawker Media, Nick Denton and/or A.J. Daulerio.

25           And so think of it in terms of what you saw

1 on Exhibit 563, which we showed you earlier. And  
2 there is the instruction for you right there.  
3 That's what you can consider.

4 It's your province to figure out --

5 Just because Mr. Berry comes up and tells you  
6 they're financially devastated, you consider the  
7 evidence, you consider what's been put into  
8 evidence, and you consider the financial resources  
9 of the defendants. You make that determination.

10 The point we're trying to make is it's been  
11 stipulated what his main asset it. And his main  
12 asset owns all of it, and it's worth \$276,000,000.

13 So I'm going to return to you where I started  
14 at the beginning.

15 And I know it's not easy to sit in this box  
16 and have a lawyer tell you "this is your judgment  
17 to make," and not put numbers up and tell you what  
18 that judgment is. But that is how the system  
19 works.

20 We defer to you on this. And in punitive  
21 damages, we defer to you for the specific purpose  
22 with which the law vests you, which is to deter  
23 Gawker and others similarly situated from doing  
24 this. It's just that simple.

25 And I would suggest again, you use your

1       compensatory award as a baseline, and at the very  
2       least, use that as some guidance for you to go  
3       back there and enter an award of punitive damages  
4       against Mr. Denton, against Gawker Media.

5             I will not come before you and tell you the  
6       gentleman who has no assets and \$27,000 worth of  
7       student loans as his present worth would not be  
8       bankrupted or the financially destroyed by this.  
9       I don't think that's a fair point for me to make  
10      to you.

11            So when you go back there, you will have your  
12      verdict form, and we trust your judgment, and we  
13      defer to you on what the appropriate amount is.  
14      Thank you.

15            THE COURT: Thank you, Mr. Turkel.

16            All right. Members of the jury, you have now  
17      heard --

18            MR. BERRY: Your Honor, may we approach the  
19      bench for a minute?

20            THE COURT: Yes.

21            (At the bench)

22            MR. BERRY: I'd like to ask for a curative  
23      instruction about this Kinja and IP stuff. It has  
24      no bearing on any of this. And the jury is being  
25      led down the garden path with something that is

1 just simply incorrect.

2 Gawker -- GMGI did not own all of the  
3 intellectual property. It owns the trademarks to  
4 the companies. Gawker Media owns the content of  
5 what it publishes. We're talking about a company,  
6 Kinja, and these other assets that have nothing to  
7 do with what is at issue in this case. The value  
8 of Gawker Media Group is what is at issue. And  
9 that's all.

10 THE COURT: What were the exhibits that you  
11 put in?

12 MR. BERRY: We put in the income statement  
13 for Gawker Media, LLC, and Gawker Media Group for  
14 2015 to show what the actual revenue was.

15 THE COURT: Okay.

16 MR. TURKEL: Judge, 563 came in without  
17 objection. I argued the evidence from this. I  
18 referred to the stipulation, which has a complete  
19 paragraph saying his main asset is this.

20 I think it is completely fair, given that  
21 \$117,000,000 of his \$121,000,000 derives from the  
22 company that owns Kinja, which owns and develops  
23 intellectual property, to argue that to them.  
24 He's made the other side of the argument.

25 I didn't argue anything that wasn't in

1 evidence. I didn't argue any inference. I  
2 literally said it as plain as you possibly could  
3 to them and why I was saying it.

4 MR. BERRY: Did you not put in the exhibit?  
5 The exhibit show what the intellectual property  
6 that they own are. And it's not this.

7 MR. TURKEL: Well, he could have argued that  
8 in his closing, Judge.

9 MR. BERRY: Well, it should have been in  
10 here. Did you-all not put it in the exhibits with  
11 the intellectual property list?

12 MR. TURKEL: You were just on it before.  
13 That's the entire document. That's argument. I  
14 literally stuck to the plain letter of the  
15 stipulation and the evidence. I made no inference  
16 past that. And I could not have been more direct.

17 Is something going on back there?

18 THE COURT: They have a question.

19 MR. TURKEL: Okay. I could not have been  
20 more direct. I could not have been more direct or  
21 more candid or transparent about why I was arguing  
22 it.

23 THE COURT: Okay. So the objection is  
24 overruled. But stay right here.

25 (In open court)

1           THE COURT: It's my understanding that the  
2 jury has a question. Would you please write it  
3 down and given it to the deputy?

4           (A document was handed to the judge.)

5           (At the bench)

6           (The document was handed to Mr. Turkel.)

7           MR. TURKEL: Wouldn't that be nice. You can  
8 answer that.

9           THE COURT: Do you mind me answering it? Do  
10 you want me to just give the answer, or do you  
11 want me --

12          MR. SULLIVAN: What's your answer?

13          THE COURT: I think it's not this type of a  
14 case.

15          MR. SULLIVAN: Right.

16          THE COURT: Yeah.

17          MR. TURKEL: I'm fine with that answer.

18          THE COURT: Anything else?

19          MR. SULLIVAN: No.

20          (In open court)

21          THE COURT: So our jurors wanted to know, Is  
22 community service an option in punitive damages?  
23 And the answer is, no, not in this type of a case.

24          All right. We'll start again.

25          Members of the jury, you have now heard and

1 received all the evidence on the issue of punitive  
2 damages. Your verdict on the issues raised by the  
3 punitive damages claim of Terry Bollea against  
4 Gawker Media, LLC, Nick Denton, and A.J. Daulerio  
5 must be based on the evidence that has been  
6 received during the trial of the first phase of  
7 this case and on the evidence that has been  
8 received in these proceedings, and the law on  
9 which I have instructed you.

10 In reaching your verdict, you are not to be  
11 swayed from the performance of your duty by  
12 prejudice or sympathy for or against any party.  
13 Your verdict must be unanimous; that is, your  
14 verdict must be agreed to by each of you.

15 You will be given a form called a verdict  
16 form, which I shall now read to you. And it's the  
17 style of the case, Terry Gene Bollea,  
18 professionally known as Hulk Hogan, is the  
19 plaintiff, vs. Gawker Media, LLC, also known as  
20 Gawker Media, Nick Denton, and A.J. Daulerio,  
21 defendants.

22 Verdict.

23 What is the total amount of punitive damages,  
24 if any, which you find by the greater weight of  
25 the evidence should be assessed against the

1 defendants?

2 Gawker Media, LLC, there is a dollar sign and  
3 a line; Nick Denton, there is a dollar sign and a  
4 line; and A.J. Daulerio, there is a dollar sign  
5 and a line.

6 If you elect not to assess punitive damages  
7 against a defendant, you should enter a zero and  
8 the amount of damages and sign and date the  
9 verdict form, so say we all, this blank day of  
10 blank, 2016. Today is March 21st. And then there  
11 is a signature for the foreperson of the jury.

12 So when you have agreed on your verdict, the  
13 foreperson acting for the jury should date and  
14 sign the verdict and just knock on the door to let  
15 the deputy know that you are finished.

16 So you may now retire to consider your  
17 verdict. And as before, the evidence that has  
18 been moved into court this afternoon, that's  
19 Plaintiff's 563, Defendants 515 and 900, plus your  
20 verdict form, will go back with you at this time.

21 Thank you very much. We will await your  
22 decision.

23 (The jury retired from the courtroom at  
24 1:45 p.m.)

25 THE COURT: All right. Thank you. Anything

## REPORTER'S CERTIFICATE

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

I, Aaron T. Perkins, Registered Professional Reporter, certify that I was authorized to and did stenographically report the above proceedings and that the transcript is a true and complete record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

Dated this 21st day of March, 2016.

  
Aaron T. Perkins, RPR



**D-138**

quantcast

Explore

## Gawker Media Network

10 Sites | 5 Audience Segments

MONTHLY UNIQUES

70.5M us 113.7M Global

gawker.com

30 Subdomains

15.9M us 21.6M Global

★ Favorites

United States

Check out the new Audience Interests report, with top interests and sites now available for any property: networks, sites, apps and audience segments!

UNIQUES  
12,615,504 +27%

PEOPLE  
10,055,117 +30%

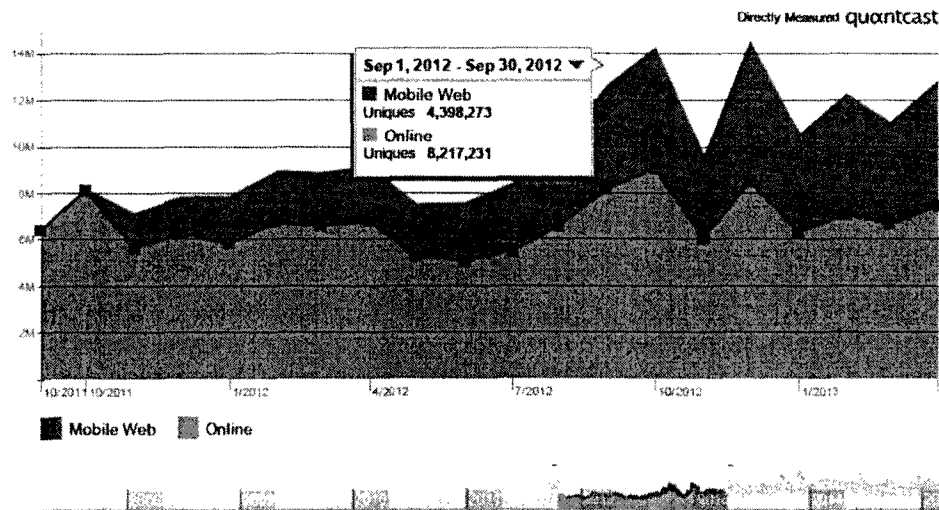
VISITS  
26,659,012 +14%

PAGE VIEWS  
73,619,248 +10%

Uniques (United States) per Day | Week | Month

Compare Site

More Options



LAST MONTH  
FEB 16, 2015 - MAR 17, 2015

	UNIQUES	PEOPLE	VISITS	PAGE VIEWS
Web	15,882,220	12,212,134	38,643,400	74,623,000
Mobile Web	10,011,910	---	21,943,608	38,836,960
Online	5,870,310	---	16,699,592	35,786,040

Updated Mar 16, 2015 - Next Mar 19, 2015 by 9AM PDT

US Demographics: Web

Gender || Age || Household || Income || Education || Ethnicity || Political Affiliation || Political Engagement

Quantified  
Directly Measured Data

121 US RANK

gawker.com

Summary

Traffic

IAB Standard Report

Mobile Web

Demographics

Audience Interests NEW

Geographic

Countries

Cities

US States

US DMAs

Business

Highlight Your Valuable Audiences

Learn More



Related Links

How to Read This Report

IAB Standard Traffic Measurement

Web Measurement Implementation Guide

Optimizing Tag Performance

Creative Specifications Guide

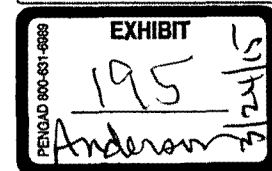
Audience Segments Implementation Guide

Badges

To add a Quantcast badge to your site

1. Select the badge you want
2. Copy the HTML code snippet and paste it into your site
3. The badges will automatically display on your web page with your site's current data

US People per month with Sparkline



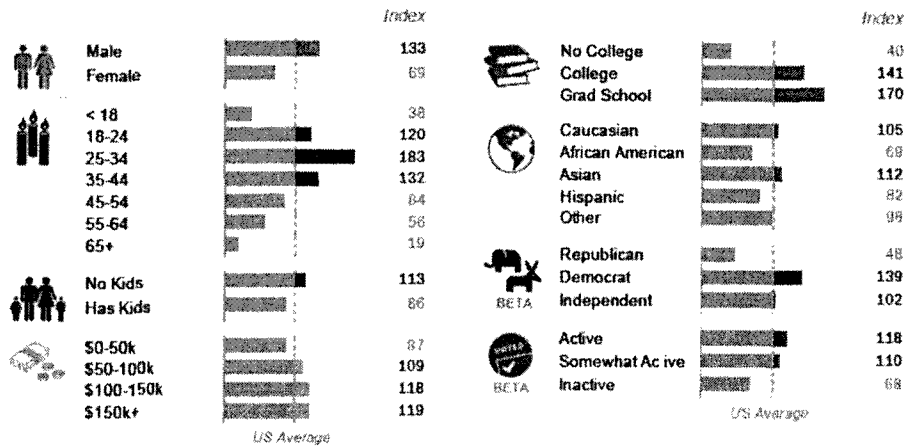
https://www.quantcast.com/gawker.com

1/3  
GAWKER 24818

Dep195-001

3/18/2015

# Gawker.com Traffic and Demographic Statistics by Quantcast



Updated Mar 18, 2015 • Next: Mar 25, 2015 by 9AM PDT

[See More](#)

## Audience Interests

[Definition](#) [Calculation](#) [How to use the data](#)

### Top Interests

INTERESTS	AFFINITY INDEX
Arts & Entertainment	5.8x
Computers & Technology	5.5x
Business & Industrial	5.3x
Science	5.2x
Leisure & Hobbies	4.5x

### Top Sites

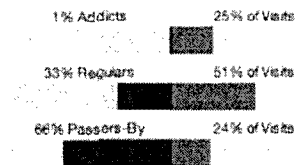
SITES	AFFINITY INDEX
adampash.com	44.7x
gothamist.com	31.5x
afredline.com	27.8x
wonkelt.com	27.5x
clickhole.com	27.2x

Updated Mar 18, 2015 • Next: Mar 25, 2015 by 9AM PDT

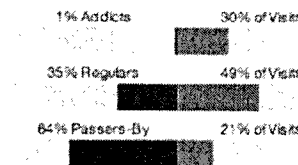
[See More](#)

## Web Traffic Frequency

### Global



### United States



## Web Traffic Sources

### Mobile Web vs. Online

gawker.com has more page views from a mobile device browser than from a computer browser in the United States.



### Business vs. Home

gawker.com is visited more by computers at home than computers at work in the United States.

<https://www.quantcast.com/gawker.com>

3/18/2015

Gawker.com Traffic and Demographic Statistics by Quantcast

**Global**  
Business (34%) Home (66%)  
Embed

**United States**  
Business (37%) Home (63%)  
Embed

**You**

Sign Up  
Log In

**Measure**

Get insights  
Go mobile  
Compare stats  
Read the love

**Advertise**

For Marketers  
For Publishers  
Proof  
Resources  
Contact Sales

**Help**

Guides  
FAQs  
Contact Support

**Company**

Careers  
Engineering  
Legal  
Privacy policy  
Opt out  
Inquiries

**Word**

Press  
WeBlog  
Sweet Spot



© 2015 Quantcast Corporation

**P-563**

# THE GAWKER MEDIA GROUP

# Executive Summary

## Company

Gawker Media Group, Inc is the parent company of Gawker Media, LLC and Kinja KFT. Kinja KFT owns and develops intellectual property (including a publishing technology platform) which is licensed to Gawker Media, LLC for publishing editorial properties.

Gawker Media Group's eight owned and operated editorial brands include Gawker, Gizmodo, Lifehacker, Deadspin, Kotaku, Jezebel, Jalopnik, and io9. Former *Financial Times* journalist and Silicon Valley entrepreneur, Nick Denton, founded the company in 2002. Today the Gawker Media Group, Inc subsidiaries employ 250+ staff internationally. The company is unencumbered by investment from or ownership by outside interests such as venture capital, public parent companies, or major media conglomerates by having self-funded all of its growth to date. As such, it is the largest completely independent media company in the United States by audience and probably by revenue.

## History

Journalist and entrepreneur, Nick Denton, founded the company as a suite of blogs in 2002. The first property, gadget blog Gizmodo, launched to much acclaim among the early web media literati. It was quickly deemed the first success at "professional blogging." With that, Denton began to transform blogging from hobbyist activity to the future of online media publishing. The early blog gave way to what is now the standard syntax for online publishing: streams of articles in reverse chronological order, sorted by topic, author, and relevancy. Over the last 12 years, Gawker Media Group has expanded its early suite of blogs to a professional publishing stable of eight owned and operated online media properties in multiple consumer verticals reaching over 126 million global unique visitors each month.

## Influence

The company is recognized as the originator of professional blogging, the method by which most online media is now published. Over the years, the company and its online media success have been profiled by mainstream media outlets *The New York Times*, *The Wall Street Journal*, *Washington Post*, NPR, TechCrunch, Aol, Huffington Post, *Sports Illustrated*, *Forbes*, *The Guardian* and advertising trade media outlets *Advertising Age*, *AdWeek*, and *Digiday*. Gawker Media Group's brands and stories have appeared on news and entertainment shows such as "The Today Show" (NBC), "The Daily Show" (Comedy Central), "Entourage" (HBO), "Girls" (HBO), and "Californication" (Showtime). Personalities from actor Daniel Radcliffe to science fiction author William Gibson have admitted a fondness for Gawker Media Group properties.

## Vision

Gawker Media Group aims to be the platform for and guardian of intelligent, independent media. In the online media industry, most of its competitors are primarily media companies backed by short term-minded venture capital concerns or media subsidiaries beholden to large media conglomerates. Gawker Media Group aims to protect editorial freedom by enabling sustainable journalism that is free of influence. Gawker Media Group will achieve this by being the largest and liveliest destination for collaborative publishing and discussion of news on the web.

## Market and Opportunity

The company operates as an online media publisher that captures advertising spend from the digital advertising industry, the fastest growing area of the overall advertising market at 16.6% CAGR for the last 10 years.<sup>1</sup> Gawker Media Group intends to maintain its position as the largest independent media publisher while also building out a publishing

---

<sup>1</sup> Interactive Advertising Bureau and Pricewaterhouse Coopers. "IAB Internet Advertising Revenue Report: 2013 Full Year Results." April 2014.

platform to attract third party publishers that will increase its overall inventory and enable it to take additional share in key advertising formats (display, sponsored content, mobile, video) as well as grow emerging revenue streams for the company (commerce, licensing).

Gawker Media Group leverages its competitive advantage of 126 million unique visitor audience,<sup>2</sup> strong editorial brands, proprietary technology, a decade of media expertise, and strong cultural and financial independence to compete against media publishers, media distributors, and publishing platforms as a sustainable media ecosystem.

## **Products and Services**

The company operates in the online media space as a leading independent publisher with eight owned and operated brands: Gawker, Gizmodo, Lifehacker, Kotaku, Deadspin, Jezebel, Jalopnik, and io9 that have collectively published 77 million pieces of information over 12 years. Through these brands, the company publishes online editorial content to hundreds of millions of readers each year and generates revenue by selling this valuable audience to hundreds of national advertisers. In recent years, the company has successfully diversified its revenue beyond the display advertising model and into emerging and nontraditional models: Ecommerce, sponsored content advertising, mobile advertising, performance advertising, content licensing, creative services, international partnerships, and more. With multiple strong and growing revenue streams bolstered by an impressive audience, Gawker Media Group is positioned to continue to take share of the overall online advertising market.

In 2007, the company began investing capital and headcount into a proprietary, professional content management system to improve upon hobbyist third party content management systems. The early system has

---

<sup>2</sup> Quantcast. Audience measurement for Gawker Media Network. <http://quantcast.com/p-d4P3FpSypJrlA>. January 2015.

evolved into a fully featured publishing technology, Kinja, which supports each of the Gawker Media Group brands. As the company seeks to enrich its editorial offerings by deploying new verticals within successful categories, it benefits from a scalable, modularly designed system that allows horizontal expansion into new verticals with marginal technical resource. The effect is similar to that of a cloud services provider where additional client instances require simply replication and additional (low cost) storage space.

## Audience

Gawker Media Group has pursued steadily aggressive editorial growth through news reporting, optimization of social and search distribution, and leverage of its stable of titles to refer traffic between them. Since inception, Gawker Media Group has grown its audience from the ground up to more than 126 million unique visitors and 575 million pageviews around the world each month.<sup>3</sup> Gawker Media Group stands among the Top 50 Properties by audience on the Internet according to industry online media measurement source ComScore.<sup>4</sup> It shares this key industry berth with major platform players like Facebook, YouTube, and Wikipedia and with major news publishers considered to be at the height of news publishing and consumption: *The New York Times*, BuzzFeed, Aol, TIME Inc, Turner, ESPN, Hearst, and Condé Nast.

## Strategic Growth

The company seeks financing through debt to raise growth capital without granting ownership to an outside party that might compromise its financial, cultural, or editorial independence. Gawker Media Group, Inc plans to deploy growth capital to mature its technology platform, which it will use to grow its editorial influence by allowing third parties to launch hundreds of smaller sites in new verticals. Audience growth will increase

---

<sup>3</sup> Quantcast. Audience measurement for Gawker Media Network. <http://quantcast.com/p-d4P3FpSypJrIA>. January 2015.

<sup>4</sup> comScore Media Metrix, November 2014, US.

overall advertising opportunity by allowing sales to capture greater advertiser spend from more advertising categories. Additional investment in the operations of the business will support the hiring, training, and programs that the departments require to lead and support the overall growth.

## Management Team

The Company is managed by a group of seven Partners who are led by founding CEO Nick Denton, the former *Financial Times* journalist and Silicon Valley entrepreneur with two successful exits. Other Managing Partners include President & General Counsel Heather Dietrick, Chief Technology Officer Tom Plunkett, President of Advertising & Partnerships Andrew Gorenstein, Chief Operating Officer Scott Kidder, Chief Strategy Officer Erin Pettigrew, and Executive Editor Tommy Craggs with additional executives at VP and Executive Director levels with experience from Condé Nast, Hearst, and AOL. The Editorial Team is led by Tommy Craggs with eight Editors in Chief of the owned and operated properties. Their editing and reporting skills draw on experience at major media publishers such as *The New York Times*, ESPN, MTV, *New York Magazine*, and *Washington Post*.

## Employees

The company employs 239 full time staff and 50+ independent contractors across Editorial, Technology, Sales, and Operations departments in New York City, Budapest, and various other remote locations. In New York City, the company attracts the nation's and world's strongest editorial, business, and technology talent. In Budapest, the company is positioned as one of the strongest employers in the Hungarian market, which enables Gawker Media Group to provide strong employment opportunities for technology talent in the region. Average employee tenure across the entire company is longer than peer organizations with the seven-person managing Partnership in particular averaging 7.2 years of service per Partner to Gawker Media Group.

## Ownership

Gawker Media Group is privately held with ownership distributed amongst present and former employees of the company. The company has never issued an equity offering to outsiders in the past, which makes Gawker Media Group one of the largest and most influential independent media companies in the world.

## Financials

The company has a long track record of strong revenue growth and has been consistently profitable since 2006. The company has grown revenue from \$5.3 million in 2006 to an estimated \$45.4 million in revenues and \$6.7 million in operating income for 2014. Revenue growth over those last eight years has been strong with a CAGR of 30.5%.

The company's accounting firm as of 2011 is Citrin Cooperman. Estimated financials are available for 2014. For prior years, audited financials are available for 2013 and reviewed financials are available for 2011 and 2012.

Gawker Media Group Key Financials, 2012-2014			
	2012	2013	2014 <sup>5</sup>
Revenue	\$26,355,834	\$34,999,653	\$45,387,688
Expenses	\$23,238,538	\$29,047,745	\$37,096,189
Operating Income	\$3,117,296	\$5,951,908	\$6,700,109
Headcount	138	186	239

While Gawker Media Group has seen aggressive revenue growth in advertising since its founding, more recently the company has also aggressively diversified its revenue mix with strong streams developed in commerce and licensing under Chief Strategy Officer Erin Pettigrew.

---

<sup>5</sup> 2014 financials are estimated. Audit will be completed no later than 6/30/2015.

Additionally, the company's balance sheet is strong. In September 2012, the company began a relationship with Silicon Valley Bank to establish the following credit facilities:

- A term loan with just under \$200,000 remaining due. The loan matures in December 2015.
- A working capital line of \$6,000,000 against eligible accounts receivable. The company has historically only drawn on the working capital line for no more than 14 days at a time and no more than once a year for the sole purpose of facilitating fees owed between our wholly-owned subsidiaries.

With impressive revenue performance, a strong balance sheet, and an immense strategic expansion opportunity ahead of it, the company seeks growth capital to accelerate its business to \$137.3 million in revenue and \$45.1 million in operating income in 2019.

There is significant enterprise value in Gawker Media Group with comparable public and private companies valued at four to six times revenues. With superior historical growth and profitability as well as a robust outlook for the future, the company expects enterprise value to continue to grow significantly.

# Market and Opportunity

---

## Industry

While the overall advertising market tracks steadily as a percentage of GDP, growth in the digital advertising sector is strongly positive as it takes share from traditional advertising sectors. Of all advertising types, Internet advertising at 16.6% CAGR has shown the strongest growth from 2005 to 2013. Broadcast television, newspaper, and radio have all declined. As such, digital advertising is very clearly taking share faster than any other advertising sector and will only continue to do so as mobile digital advertising accelerates that growth rate.

The \$42.8 billion US digital advertising market represents the fastest growing sector of the US advertising market and one of the fastest growing sectors of overall US GDP. In 2013, digital advertising grew at a rate of 17%<sup>6</sup> year over year while US GDP tracked at 2.2%.<sup>7</sup> Digital advertising now outpaces spending at \$42.8 billion in 2013 compared to competing media types with broadcast at \$40.1 billion, cable television at \$34.4 billion, and all other media falling far below. 2013 marked the first year that digital advertising eclipsed broadcast television spending, which had long been the leading category of spend since the medium's introduction decades ago.

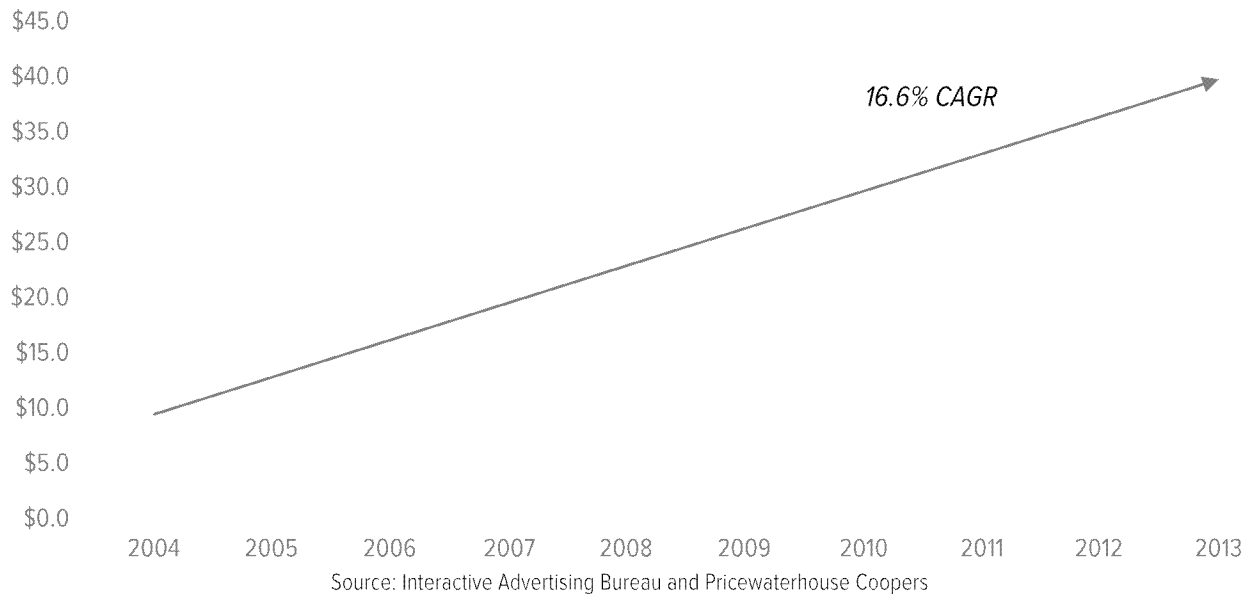
As a digital advertising seller, the company is positioned in the fastest growing area of the overall advertising market. Further, Gawker Media Group has consistently grown its digital advertising revenues at a rate that is more than double that of the growth of the overall digital advertising market.

---

<sup>6</sup> Interactive Advertising Bureau and Pricewaterhouse Coopers. "IAB Internet Advertising Revenue Report: 2013 Full Year Results." April, 2014.

<sup>7</sup> World Bank. "GDP Growth Annual % 2013." <http://data.worldbank.org>

### Revenue Growth of Digital Ad Industry in Billions, Last 10 Years



As growth continues, analysts predict that digital advertising's share of the overall advertising market will more than double to 37% of the total by 2018.<sup>8</sup> Digital advertising is expected to eclipse both broadcast *and* cable television advertising combined by \$4.3 billion to become the largest advertising sector in the United States in 2018. Total digital revenues in 2018 are projected to reach \$82.9 billion.<sup>9</sup> Gawker Media Group is well positioned to be a leading participant in that growth trend.

### Impact of Technology

Technology has supported digital advertising's growing share of the US advertising market by enabling all components of the ecosystem. It has enabled supply-side online media publishers to quickly scale content distribution to more quickly take audience from traditional publishers and broadcasters. The buy-side advertisers and associated procurement technologies are able to more accurately target their advertising buys through digital advertising and to more quickly scale them across leading

<sup>8</sup> eMarketer. "US Ad Spending: Q4 2014 Complete Forecast." Alison McCarthy. December 2014.

<sup>9</sup> eMarketer. "US Ad Spending: Q4 2014 Complete Forecast." Alison McCarthy. December 2014.

publishers. As online media continues to mature, technology is becoming more than ever a point of differentiation for both the buy and sell sides of digital advertising. Gawker Media Group plans significant investment in technology to position itself to take further advantage of the changes that technology has reaped on the media landscape.

## **Growth Opportunity**

Opportunity in the digital advertising market comes through investment in the fastest and other growing advertising formats. Mobile advertising, video advertising, and sponsored content advertising led increases in digital advertising in 2013. Gawker Media Group offers strong advertising products in each of these key industry formats.

Mobile advertising shows the strongest growth opportunity for online media businesses. With a 123% compound annual growth rate from 2004 – 2013 and a 100% YOY growth rate from 2012 to 2013<sup>10</sup>, mobile advertising is the fastest growing ad format. Mobile advertising revenues in 2013 totaled \$7.1 billion, which is 16.5% of the \$42.8 billion digital advertising market. Mobile spending has just passed an inflection point and will see exponential growth over the coming years up to an estimated \$32 billion by 2018.<sup>11</sup> Gawker Media Group presently offers multiple mobile advertising formats for its mobile web presence and intends to launch in-app mobile advertising in the coming year to capture growth opportunity.

Video advertising is the second fastest growing advertising format in the digital marketing industry. The format saw an estimated \$3.3 billion in spending in 2014 and will rise to an estimated \$5.6 billion in spending in 2018 (15.1% CAGR). Gawker Media Group intends to invest significantly in video advertising products in the coming years to grow its overall opportunity to capture video advertising spend.

---

<sup>10</sup> Interactive Advertising Bureau and Pricewaterhouse Coopers. "Highlights from Pricewaterhouse Coopers: 2013 Full Year Results." April, 2014.

<sup>11</sup> Mark Hoelzel for Business Insider Intelligence. "Forecast: Mobile, Social, and Video Will Drive U.S. Advertising Revenue." September 2014.

Sponsored content (or “native advertising” in industry parlance) has received increased attention from advertising buyers as they seek to better integrate with media owners’ environments. Sponsored content is particularly attractive as it elicits higher response rates than standard display advertising. Spending on this format is expected to increase from approximately \$1 billion in 2014 to an estimated \$3.4 billion in 2018 (33% CAGR).<sup>12</sup> Gawker Media Group has been a leader in the sponsored content advertising space since being one of the first to launch this format online through partnerships with HBO in 2009 and with Nike as early as 2004.<sup>13</sup> The company’s Sales department staffs a 17-person inhouse creative agency, Studio@Gawker, to concept, craft, and produce sponsored content advertising.

## Pricing

The average cost-per-thousand-impression (CPM) pricing of digital advertising saw a decline of 2% in the overall industry between 2012 and 2013.<sup>14</sup> Commoditization of advertising by the major platforms and ad exchanges contributes to this. Gawker Media Group, however, has increased its advertising pricing (CPM) during the same period. It has done this by improving the value of its offering and successfully increasing prices to support that value. As overall brand advertising spend increases, Gawker Media Group has the opportunity to take more share of dollars through both volume of advertising orders and overall pricing of orders.

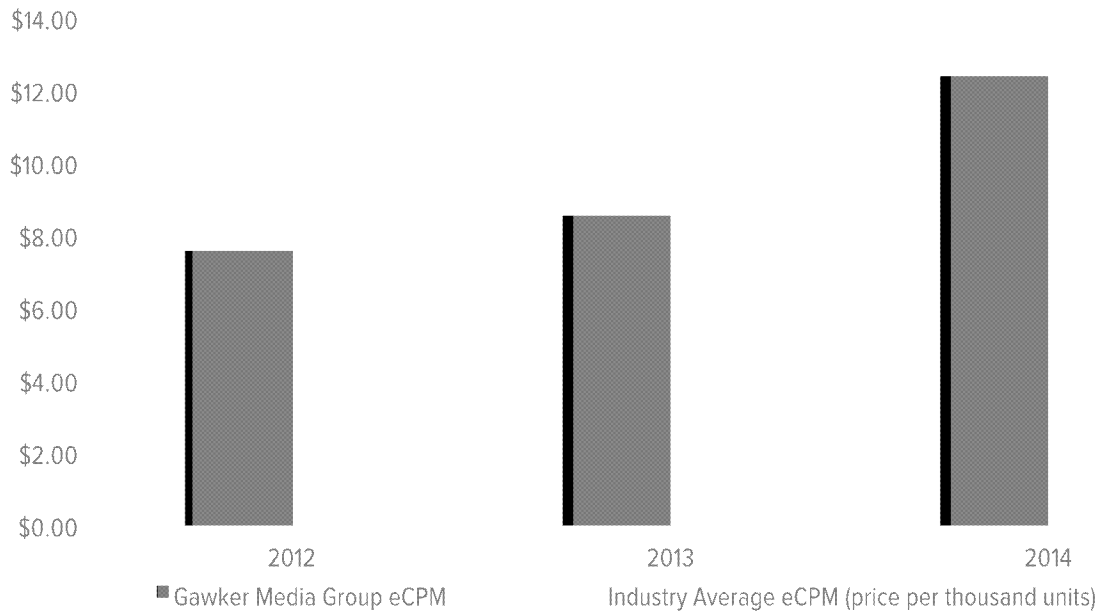
---

<sup>12</sup> Mark Hoelzel for Business Insider Intelligence. “The Native Advertising Report: Spending Trends, Format Breakdowns, and Audience Attitudes.” November 2014.

<sup>13</sup> AdWeek. “HBO, Gawker Team up for ‘True Blood’ Promo.” Brian Morrissey. May 2009.

<sup>14</sup> Interactive Advertising Bureau and Pricewaterhouse Coopers. “Highlights from Pricewaterhouse Coopers: 2013 Full Year Results.” April, 2014.

### Gawker Media Group Advertising Pricing Surpasses Industry Average in 2014



## Competitors

The competitive landscape to Gawker Media Group is fragmented in definition but consolidated in spending power among few players. In fact, the top 10 competitors in the market generate 71% of digital advertising revenue.<sup>15</sup> Competing against players at this scale requires tremendous talent, skill, and capital. Gawker Media Group's capital deployment will be aimed at maturing and leveraging its competitive advantages against the majority of the market in order to compete with these top players to take more advertising spend share.

Gawker Media Group competes against several classes of businesses as it seeks to grow its influence in the media industry and its share of overall advertising dollars. These competitor classes include media publishers, media distributors, and publishing platforms.

<sup>15</sup> Interactive Advertising Bureau and Pricewaterhouse Coopers. "IAB Internet Advertising Revenue Report: 2013 Full Year Results." April, 2014.

### 1. *Media Publishers*

Media publishing companies compete against Gawker Media Group to create strong online brands that attract engaged audiences. These companies sell their audiences directly to advertisers. Key competitors include traditional players like *The New York Times*, Hearst Publishing, and Condé Nast and digital players like AOL, BuzzFeed, VICE, and VOX Media. Gawker Media Group has long been a strong competitor in this space, regularly being seen as a “must buy” for various advertisers in its most important categories. As the originator of online blogging, the predecessor to major online media publishing, Gawker Media Group continues to be strongly positioned as an influencer in the digital media publishing space.

### 2. *Media Distributors*

Media distributors have arisen in the last decade as distribution channels for online media. These platforms, led by Google, Facebook, Twitter, YouTube, etc, both partner with and compete against Gawker Media Group by distributing content from media publishers, aggregating audience around these experiences, and then selling this audience to advertisers. Gawker Media Group intends to leverage its branded editorial environment to provide differentiated advertising programs that grow its value proposition against the standardized advertising offerings of the media distributors. It further intends its technology platform to afford it an entrée into supporting other publishers, thereby enabling the company to become a distributor equipped to take advertising share in the same way that media distributors do.

### 3. *Publishing Platforms*

Publishing platforms compete with Gawker Media Group’s plan to scale its publishing technology beyond its owned and operated properties, thereby offering publishing software to third party media publishers. Platforms like WordPress, Tumblr, and Medium provide

publishing technology to upstart media publishers who in turn sell the audiences they aggregate. Gawker Media Group intends to leverage 12 years of media publishing experience and nearly six years of publishing platform development expertise to compete with publishing platforms to offer publishing software to content creators. Most importantly, Gawker Media Group will leverage its monetization expertise to enable publishers on its platform to enjoy revenue generation and revenue sharing features that are presently not offered by any of the other publishing platforms in the space.

## Competitive Advantages

### 1. *Audience and distribution*

The company's strongest competitive advantage is a 126 million monthly unique visitor audience<sup>16</sup> that it has cultivated for over a decade. In the same way that traditional media brands built relationships with their audiences through repeated demonstrations of commitment, engagement, and trust, so have Gawker Media Group brands built relationships with their respective readers. Gawker Media Group reaches 25% of the entire US population<sup>17</sup> and has an additional 48 million readers in top global markets.<sup>18</sup> As the company seeks to grow, it plans to leverage its existing audience and distribution to edge out competitors with smaller or less cohesive audiences. For every new growth title that the company launches, it can leverage the entirety of its readership to grow adoption around new publishing brands rapidly. Importantly, Gawker Media Group's audience size at 126 million unique visitors per month is already near competitive with that of major media distributors that presently take the bulk of advertising revenue.

---

<sup>16</sup> Quantcast. Audience measurement for Gawker Media Network. <http://quantcast.com/p-d4P3FpSypJrlA>. January 2015.

<sup>17</sup> World Bank. "Population, total 2013." <http://data.worldbank.org>

<sup>18</sup> Quantcast. Audience measurement for Gawker Media Network. <http://quantcast.com/p-d4P3FpSypJrlA>. January 2015.

2. *Proprietary publishing technology*

It is highly unusual for news publishers to own and operate both their editorial publishing *and* their publishing technology. Many of the company's media publisher competitors create content through third party services like WordPress rather than a proprietary publishing technology. Gawker Media Group benefits from a vertical integration of content production and publishing technology in multiple ways. Chief among these is the ability to scale rapidly across verticals by launching new brands and deploying new products across the network. While many media publishers own multiple brands and maintain separate content management, product suites, and presentation designs for each, Gawker Media Group has standardized front end design, publishing management, and back end delivery and scaling systems for all of its editorial titles. As the company seeks to support third party media publishing businesses, it is advantaged by its strong existing platform.

3. *Media and advertising expertise*

Certain of Gawker Media Group's competitors from the publishing platform side of the industry are aimed at providing services to media publishers but are disadvantaged by lack of media expertise. Gawker Media Group is uniquely positioned as a media publisher with full knowledge of the online media space from infancy to maturity and has better understanding of publisher needs than many of its competitors. As it seeks to evolve its platform by deepening and enriching its content experiences, Gawker Media Group benefits from this combination of strong technology and deep media expertise. As it courts third party publishers, it is uniquely positioned to develop and offer features to those publishers.

4. *Independence*

Independence of finances and independence of spirit are of strong strategic importance to the company. Financial independence allows Gawker Media Group to pursue its next phase of growth without

pressure from unrelated, uncommitted, or uninformed outside interests. The company's independent spirit is imbued in its culture and hiring practices, its editorial experience, its technology development, and its business strategy. These aspects also form the basis for the company's corporate brand value today and tomorrow in its mission to be the guardian and enabler of the voices of independent media. In the same way that the company's readers and customers are attracted to the brands for their independent spirit, so will the company's current future customers align with that purpose. Contrast this to most other media publishers who are subsidiaries of larger conglomerates, are beholden to public or secondary shareholders, or are simply driven by short term motivations that do not ally well with long term independence. Gawker Media Group values strongly, benefits immensely from, and intends to continue its longstanding tradition of independence.

# Products and Services

---

## Editorial Titles

The stable of Gawker Media Group properties includes leading editorial brands in technology, lifestyle, gaming, automotive, and more. The titles are known chiefly for their irreverent, authentic, “say anything” tone. This has engendered loyal audiences with strong affinities for the editorial brands, authors, and stories.

Each editorial brand is led by an Editor in Chief and supported by various deputies, managing editors, reporters, staff writers, contributors, graphic artists, and videographers.

### **Gawker**

*General news and entertainment*

*Founded 2003*

*18.4 million unique visitors per month*

Gawker is the definitive gossip sheet for followers of entertainment, media, and news. The site reveals the story behind the story, publishing the news before other news outlets even know it and when other news outlets won't dare. As the flagship property for Gawker Media Group, Gawker leads in setting the expectation for unadulterated, honest conversation about the events happening in our world.

### **Gizmodo**

*Technology and culture*

*Founded 2002*

*25.7 million unique visitors per month*

Gizmodo is a guide to the most exciting, inventive, beautiful, and awe-inspiring technologies that give shape to the world around us. From everyday electronics to the cities of tomorrow, from breakthrough science to smarter design, Gizmodo explores the past, present, and future of technology in our lives.

**Lifehacker***Productivity, software, finance**Founded 2005**20.7 million unique visitors per month*

Lifehacker is dedicated to living life better in the digital age. The site delivers tips, tricks, and advice on apps, gadgets, financial tools, and shortcuts to improve productivity. Founded as a collection of “life hacks” for web gurus and software developers, Lifehacker is now the expert guide for anyone looking to get things done. Its readership consists of technologists, business decision makers, and productivity enthusiasts.

**Kotaku***Video game**Founded 2004**13.0 million unique visitors per month*

Kotaku is the most thought-provoking, unabashedly excited game culture outlet on the planet. It’s the only destination that embraces not only game news and reviews but also the gamer community as a whole. Game culture isn’t just a subculture anymore; with mobile and casual gaming at an all-time high, games are everywhere. Kotaku reaches both game players and game developers.

**Deadspin***Sports lifestyle**Founded 2005**15.1 million unique visitors per month*

Deadspin covers sports on and off the field. Much more than statistics and scores, Deadspin dispatches game gossip, athlete profiles, investigative reporting, and original cultural essays that make it a unique take on men’s lifestyle publishing. Its maverick and encompassing approach to sports media was once spurned by its sports media peers but is now renowned. There’s more to life than the score. That’s Deadspin.

## **Jezebel**

*Women's interest*

*Founded 2007*

*14.2 million unique visitors per month*

Jezebel is dedicated to what contemporary women want to talk about. It brings its readers what traditional women's magazines won't: savvy pop culture, fashion truths, progressive advice, female heroes, entertainment realities, cultural criticism, and a healthier take on female aspiration. It is unquestionably recognized as the most energizing and progressive voice in women's media. Unhesitatingly honest, Jezebel is changing women's conversation.

## **Jalopnik**

*Automotive*

*Founded 2004*

*8.1 million unique visitors per month*

Jalopnik is about cars and all the ways people love them. Unlike the usual press-release driven reviews and spec comparisons found in other automotive enthusiast publications, Jalopnik delivers an informative and irreverent perspective on the automobile in our lives. Freedom and the lifestyle of the open road – that is the ethos of Jalopnik. Its loyal readership includes automotive enthusiasts but also influential auto makers, dealers, marketers, and critics.

## **Io9**

*Science fiction*

*Founded 2008*

*13.6 unique visitors per month*

Io9 is futuristic culture and entertainment. Io9 covers sci-fi shows and movies, concept art, digital gadgetry, and brave new world breakthroughs as well as issuing its own predictions on the future. Io9 attracts readers from the professional fields of science, technology, and entertainment as well as enthusiasts looking for an outlet for their science fiction and futurism interests.

## Technology Platform

Gawker Media Group's proprietary publishing technology, Kinja, provides it with a strong competitive advantage. In its present use, Kinja supports the owned and operated media business as publishing software. In its future use, Kinja will extend publishing software to third party publishers thereby enabling Gawker Media Group to support and monetize other content creators.

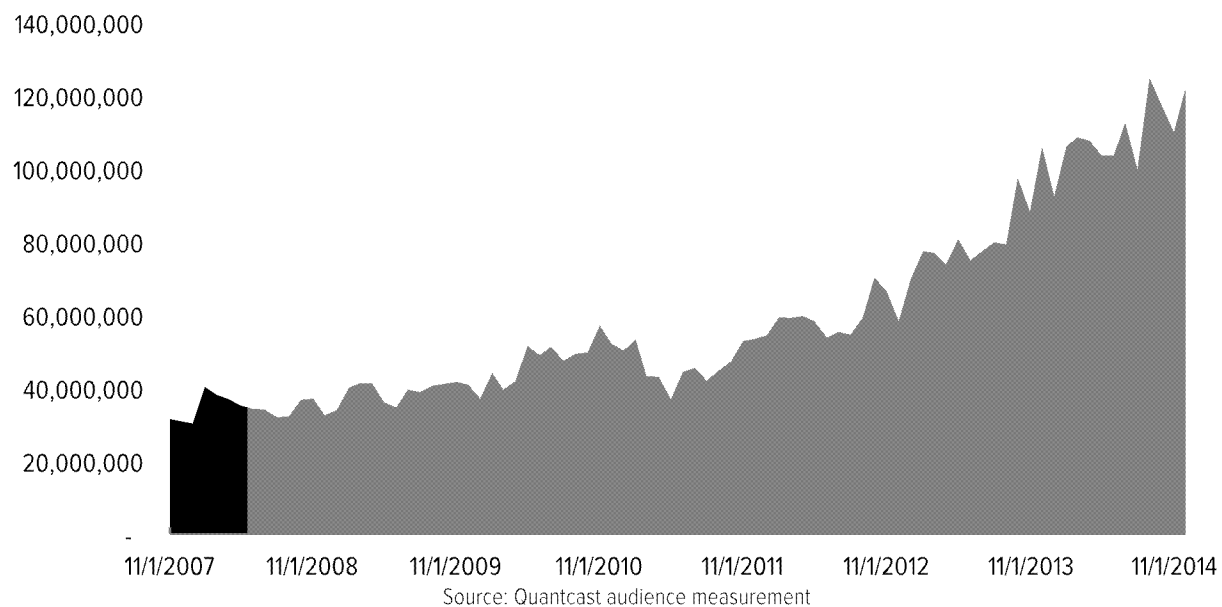
Becoming a platform for other publishers will naturally position the company as a key player in all three of its competitive approaches: media publishing, media distribution, and publishing platforms. The media industry currently has very few players that perform all three of the major media functions: media creation, media distribution, and media monetization. The company endeavors to position through its Kinja platform as a media organization that leverages its media creation expertise to build media distribution and provide media monetization to third party media creators.

The company's technology platform is built with backend programming language Scala on the Play framework, a combination that supports large web services at scale. The backend leverages a variety of large databases for user and publishing data. The front end or user-facing aspects of the web product are created in web standard languages HTML, CSS, and Javascript. A robust system of owned servers and leased cloud storage are utilized to deliver the user-facing web products and content to end users at unthinkable speed. This array of technologies comprises the company's "stack." This same stack or a variant on it is used by similar large scale consumer media and product companies like Twitter, foursquare, Gilt Groupe, and LinkedIn.

## Target Audience

Since its founding in 2002, the company has grown its audience from a few thousand onlookers to what is now a significant percentage of the United States population and the world: 126 million global unique visitors per month. Audience growth has been aggressive but steady, marked by the cultivation of genuine relationships between readers and writers and not by short term or opportunistic development tactics.

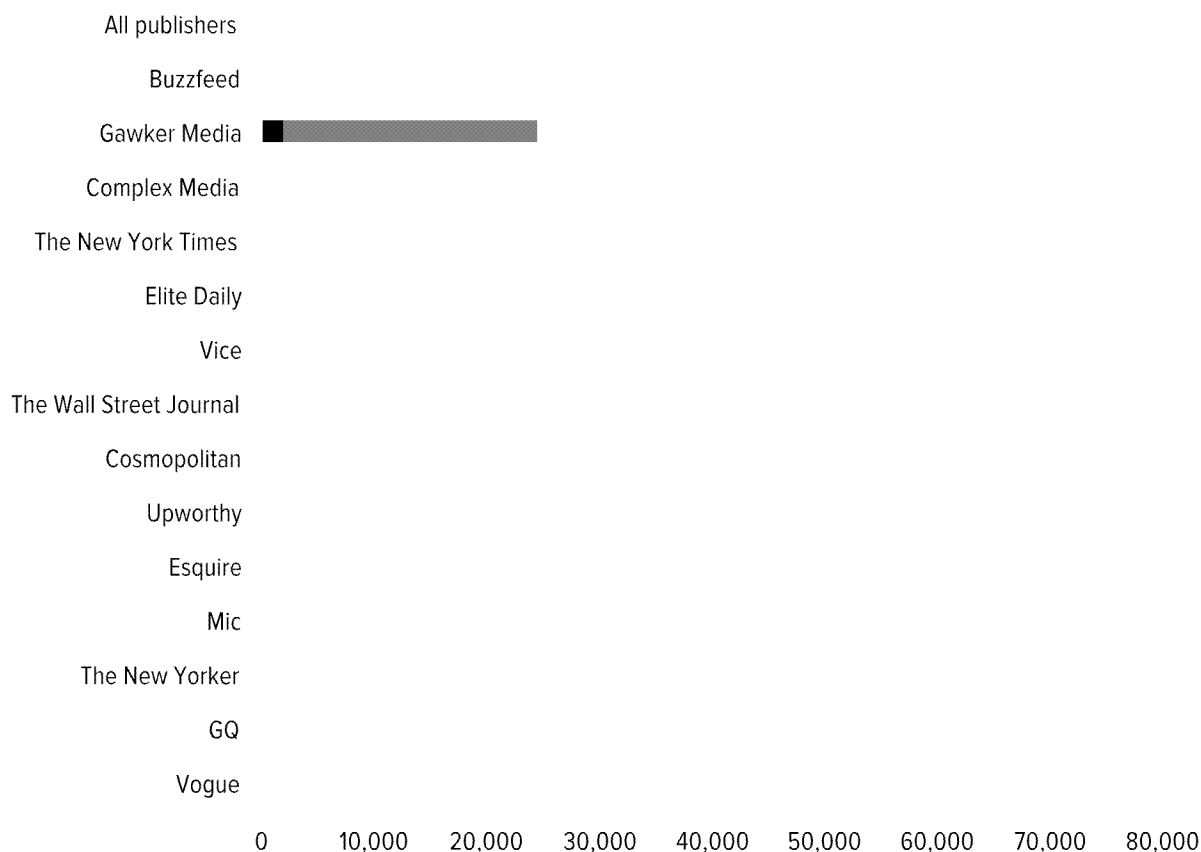
**Audience Growth in Global Unique Visitors, 2007-2014**



Gawker Media Group's audience has expanded in size and demographic while still retaining a very healthy hold on advertisers' prized target: millennials. With 51% of its audience categorized as millennials, the company's overall reach into this valuable cohort is the second largest amongst its media publisher peers.<sup>19</sup>

<sup>19</sup> Digiday. "Turns out traditional publishers do just fine with millennials." John McDermott. August 2014.

## Media Publishers and Their Millennial Audiences (in 000s)



Source: ComScore US July 2014, Digiday.

The audience is generally considered to be cosmopolitan, curious, intellectual, technology-savvy, contemporary, progressive, and opinionated. They are highly interactive with 9.5 million of them following Gawker Media Group properties on Facebook and Twitter and 2.87 million registered users leaving over 26,700 comments per day to drive news discussion.

The company's audience over-indexes against the average Internet user for behavior and influence in digital consumption of entertainment, business decision making for technology purchases, digital literacy and mobile

device ownership, online shopping and transacting, and many other key categories of value to advertisers.<sup>20</sup>

### Sample Audience Indices for Gawker Media Group's Top Ad Categories

<i>Consumption Behavior</i>	<i>Index</i>
<b>Consumer Electronics</b>	
Web / Internet software purchased for work (last 12 months)	340
Laptop purchased for work (last 12 months)	337
Business purchase decision maker / influencer for Internet	301
Heavy spending on computer hardware online (last 6 months)	293
Business purchase decision maker / influencer for software	265
Shopped online for home electronics (last 30 days)	253
<b>Entertainment</b>	
Computer used for movie or TV show download (yesterday)	325
Watched online video for TV or broadcast (last 30 days)	306
Computer used for Amazon Prime video watching	274
Shopped online for video games (last 30 days)	208
<b>Telecommunications</b>	
Business purchase decision maker / influencer for telephone services	211
Near field communications (NFC) capability on wireless device	208
Shopped online for cell phones / service plans (last 6 months)	199
Internet shopping on cell phone (last 30 days)	190
<b>Automotive</b>	
Business purchase decision maker / influencer for cars/vans/trucks	212
Purchased automobile online	180

Source: Nielsen @Plan. Q3 2014. Indices indicate likelihood of Gawker Media Group audience to perform the selected consumption behavior relative to the average web user, e.g. index of 300 indicates thrice likelihood.

<sup>20</sup> Nielsen @Plan Audience Metrics. Q3 2014.

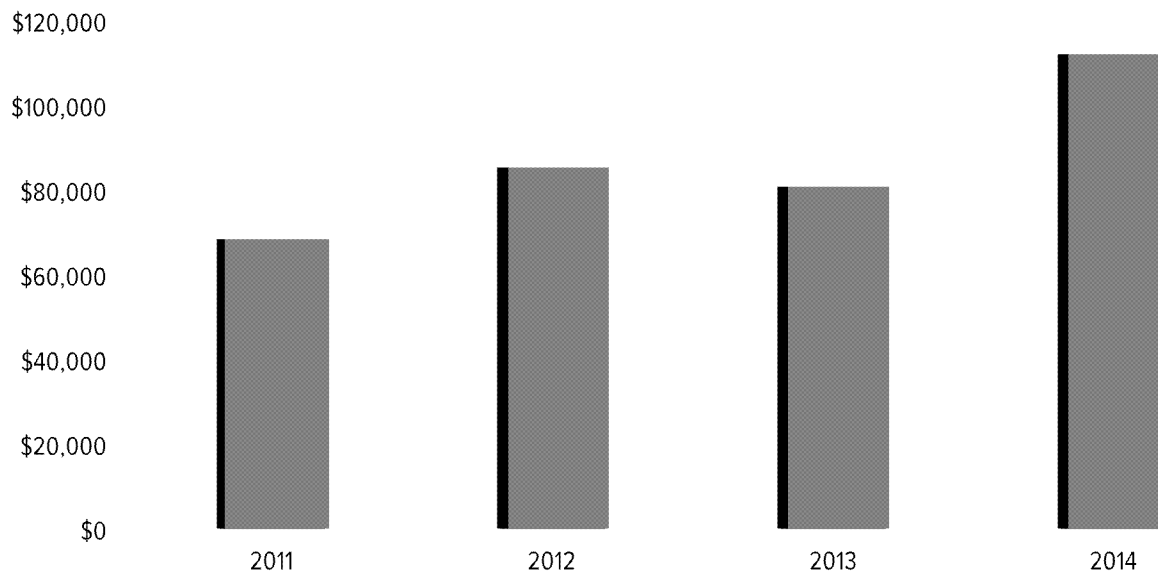
Overall, the company's audience is enviably large, educated, and digitally connected which provides strong attraction for online advertisers who seek broad reach into their coveted mass and niche targets.

## Revenues

The company's sales focus in the last few years has been on increasing the strength of its primary revenue stream, direct advertising, to an estimated \$32.7 million in 2014 and on expanding into new revenue streams, commerce and licensing, in order to generate a further \$10.9 million in 2014. Overall revenue strength and diversification of revenue streams are at record highs for the company.

Gawker Media Group has seen the health of its direct advertising increase markedly with the arrival of President of Advertising & Partnerships Andrew Gorenstein in 2011. The department in 2014 produced 319 advertising campaigns with an average order size of \$112,154. The upward trend in order size over the years (in addition to the previously discussed upward pricing metric) has been a strong indicator of the quality and attractiveness of the advertising programs developed by the company.

**Average Revenue per Advertising Order, 2011-2014**



Key advertising product components include display advertising, sponsored content advertising, video advertising, mobile advertising, and a variety of scalable and custom solutions beyond these formats. Several of Gawker Media Group's advertising programs have received critical acclaim from advertising trade publications in addition to customers. These include sponsored content programs for Ford which invited audience collaboration through discussion<sup>21</sup> and for Netflix which earned the partner agency the award "Advertising Week's Media Plan of the Year 2014."<sup>22</sup>

Emerging revenue streams from business development programs include commerce (affiliate marketing), programmatic display advertising, content licensing, and international licensing. Importantly, the department has sought to decrease the organization's overall dependence on direct advertising by building a healthy secondary revenue mix that now comprises 25% of overall revenues. The company's work in these revenue diversification areas has been recognized by coverage in industry publications Digiday<sup>23</sup> and *The Guardian*.<sup>24</sup>

---

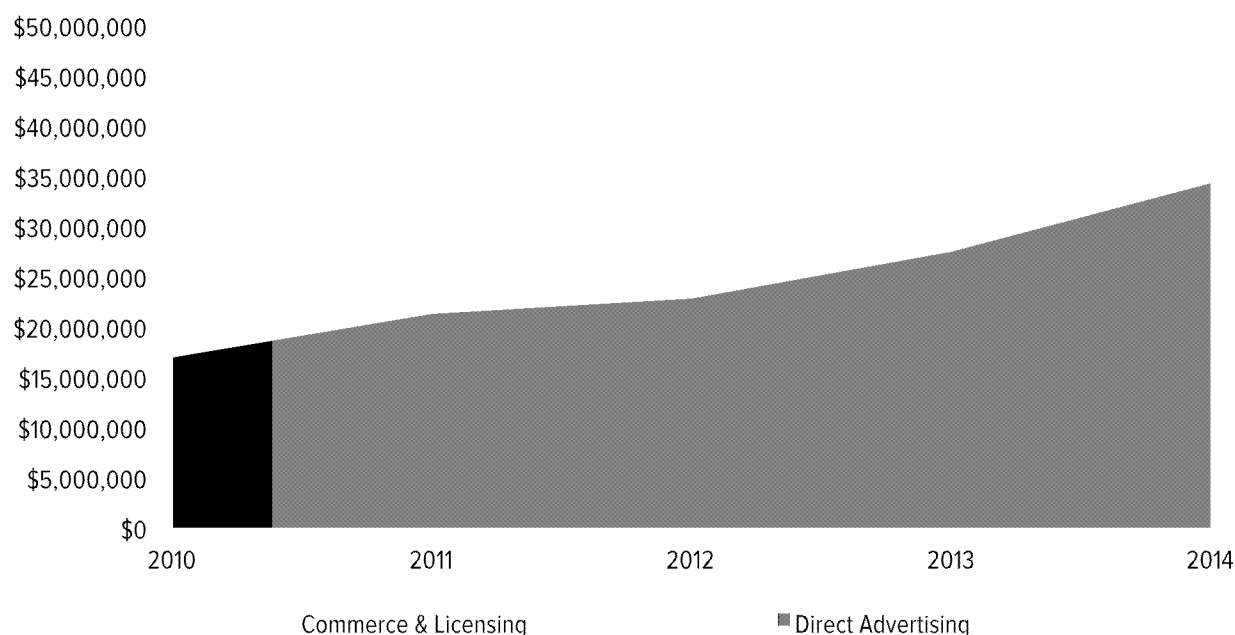
<sup>21</sup> *AdWeek*. "Ford Puts Blog Fans in Driver's Seat: Fusion spots featuring auto enthusiasts' reviews debut on Gawker sites." Christopher Heine. March 2013.

<sup>22</sup> *AdWeek*. "When Clients Let Media Agencies Take Risks, Good Things Happen. Presenting Adweek's 2014 Media Plan of the Year winners." AdWeek Staff authors. November 2014.

<sup>23</sup> Digiday. "These publishers blend e-commerce with content – and make it work." Lucia Moses. August 2014.

<sup>24</sup> *The Guardian*. "Gawker links up with Future to launch Lifehacker and Kotaku in the UK." John Reynolds. March 2014.

### Gawker Media Group Revenue Diversification, 2010-2014



## Customers

Gawker Media Group's customers are broadly companies looking to distribute paid messaging and products to its valuable audience. Specifically, those customers include partners in its direct advertising business and its commerce and licensing businesses.

1. Direct advertising agencies and brands: The company's primary customers are advertising agencies and brands that buy high production value display and sponsored content advertising from Gawker Media Group. The company's advertisers span a healthy spectrum of categories with consumer electronics, entertainment, telecommunications, and automotive leading the spending. The company's sales group sells directly to these advertisers earning the name "direct advertising" and in so doing protecting the

company's most strategic revenue relationships from industry intermediaries such as advertising networks.

- a. Key advertising clients in 2014 included Microsoft, Verizon Wireless, State Farm, Jaguar, Sony, and Netflix. The company's top clients averaged an advertising a total advertising spend of \$1.2 million annually. No single advertiser represents more than 6.5% of total revenues.

2. Merchants & Licensors: The company's business development group has invested two and a half years in developing strong new revenue streams to diversify the company's opportunity. In total, customers of the Commerce & Licensing businesses generated \$10.9 million in revenue for Gawker Media Group in 2014.

- a. The company's Commerce business services several hundred large retailers and smaller merchants with affiliate marketing relationships that drive diverse and high volume product sales. In 2014, the company drove over \$96 million in gross product sales for partner merchants of which the company retained a percentage commission (net revenue) through its affiliate relationships. Industry statistics show that retail advertising is the largest and fastest growing advertising spend category at 21% of the advertising market in 2014.<sup>25</sup> Gawker Media Group's strengthening relationships with merchants positions the company to increasingly capture share of this retail revenue.
- b. The company's Licensing business services brands and media companies by selectively licensing the company's content, marks, and intellectual property in the US and key international markets.

---

<sup>25</sup> Interactive Advertising Bureau and Pricewaterhouse Coopers. "IAB Internet Advertising Revenue Report: 2013 Full Year Results." April, 2014.

Top 10 Direct Advertisers, 2014	
Advertiser	
Microsoft	
Netflix	
State Farm	
Jaguar	
Sony	
Verizon Wireless	
Pringles	
IBM	
US Cellular	
LogMeIn	

Direct Advertising Spend by Category, 2014	
Industry	Spend
Consumer Electronics / Technology	\$7,816,430
Entertainment / Film / TV	\$7,247,527
Telecommunications	\$4,100,619
Automotive	\$3,414,501
Financial Services	\$2,492,751
Retail	\$2,215,776
Gaming	\$1,696,373
Beer & Spirits	\$1,365,011
Food & Beverage	\$1,261,036
Consumer Packaged Goods	\$1,231,048
Miscellaneous	\$1,011,654
Travel	\$191,314

Publishers	\$151,150
Education / Non-Profit	\$49,999
Quick Serve Restaurants	\$953

# Strategic Growth Plan

Gawker Media Group seeks to increase its influence, audience, and commercial opportunity in the online media space with a growth strategy that capitalizes on its long history of success in editorial, technology, and advertising. It aims to extend its reach beyond its eight owned and operated brands and into broad new categories and deep new niches that allow it to capture long tail publishing and advertising activity. This is a horizontal growth strategy that sees Gawker Media Group extending its audience through more brands which allows it to capture more categories of advertiser spend against greater overall audience reach. In addition, the company will increasingly allow users to publish news and discussion to the platform, which expands its overall opportunity in a bottom-up, scalable manner. The growth strategy will be achieved by company-wide investment and implementation plans in technology, editorial, sales, and operations with an emphasis on technology.

## Technology Growth Plan

The Technology department is the company's second largest and will see the bulk of the investment. It develops and maintains products and systems for delivering news and information to over 126 million people each month. The department will extend its accountability to users with the launch and development of platform products that increase publishing and consumption activity. The aim is to augment the company's media publishing business with both distribution channels and content creation software built into its ecosystem.

To achieve the company's long term vision of building an independent media organization with a proprietary publishing technology that scales for both its owned and operated brands and third party publishers, the Technology department seeks to increase its competitiveness in talent, performance, and infrastructure. As the competitiveness of the hiring market both locally and nationally has increased, the company will require

more capital to recruit and hire top tier technology talent. As the skill with which competitors operate has increased, the company will also need to grow its existing talents' skill sets. As the importance of vertical integration of content production and technology becomes clear, the company will continue to invest in server and related infrastructure to own the delivery of its digital experience to its users.

1. *Recruiting*: The company's Technology department aims to elevate its hiring standards and the value of its offer packages to be able to recruit top talent from Silicon Valley, New York City, and beyond. The majority of investment in Technology will go toward the overall advancement of the talent pool. The company intends to hire several senior level managers and contributors who can bring trusted experience in larger organizations to help the Technology department to scale.
2. *Product*: The company will specifically hire expertise in the Product function (design, user experience, user research, analytics, product management, project management) to ensure that it is leading strategically in its space by meeting user needs with successful technology products.
3. *Engineering*: The company today employs over 30 engineers and will continue to build its competency in front-end and back-end engineering.
4. *Mobile*: As Gawker Media Group's audience chooses mobile devices as their primary consumption mode, the company's Technology department will re-orient to support mobile. The company intends to invest in both native mobile application and mobile web development. In doing so, it will both invest in new staff as well as offer training in mobile languages and build processes to existing staff. The overall goal is to transform the engineering group's competency and confidence with mobile development.
5. *Scaling & Infrastructure*: The company operates at immense scale successfully today and will continue to invest in servers, colocation facilities, load balancers, cloud services, content distribution

networks, etc in order to maintain its ability to deliver information to its users at a very competitive speed.

## Editorial Growth Plan

The Editorial department at Gawker Media Group drives the independent news journalism and opinion writing that have earned the company both acclaim and scorn for publishing what few others will. Through that radical authenticity, the company's Editorial teams have attracted loyal, outspoken audiences. Absolute independence from financial, corporate, and social obligation is the key to maintaining and increasing the company's editorial and audience-building success.

The company's editorial expansion will be driven primarily by hiring and by providing resources to those new hires. A large part of the success of the organization is giving writers the freedom and financial comfort of being able to write without fear of losing employment or not having the company's support behind their work. Therefore, the majority of the investment in Editorial will go toward further securing the staff's authorial independence and financial stability.

1. *Editorial Management*: The company's Editorial leadership will invest in strong, senior editorial management talent.
2. *Editorial Recruitment*: The company's Editorial leadership will continue to seek strong special talent in investigative reporting, opinion writing, and various domains of subject matter expertise.
3. *Publishing Services*: The company will invest in a shared service model to provide each of its editorial teams with graphic arts, video, production, events, and other capabilities. The overall effort will be moving more of the editorial capabilities in-house to increase efficiency and to avoid third party dependencies. These services – graphic arts, video, and events -- improve the overall storytelling efficacy and production value for Gawker Media Group editorial properties. They also serve to advance the needs of the company's

advertising base, which specifically requests alignment with high production value editorial experiences on a regular basis.

4. *Distribution*: The Editorial department will move to use additional instances or 'subsites' on the Kinja platform to both drive new distribution and enhance distribution to the larger brand sites. Examples include expanding into men's interest (Deadspin's subsite Adequate Man) and outdoor technology (Gizmodo's subsite Indefinitely Wild). By exploring new topics on subsites, the larger brands can test stories against smaller audiences before bringing them to main sites. This will allow the cultivation of more original reporting, niche topic coverage, and audience affinities.
5. *Audience Development*: The Editorial department in conjunction with the Product team will continue to explore media platform distribution channels like Facebook, Twitter, Pinterest, Instagram, email newsletters, and content partnerships as audience development avenues. It will additionally explore optimization and delivery tools that enable editorial stories to be pushed to audiences more relevantly and quickly.
6. *Editorial Analytics*: With recent staffing in the Analytics discipline, the Editorial department will continue to leverage more data in its publishing and distribution efforts.

## Sales Growth Plan

The Sales department at Gawker Media Group aims to provide its advertising clients with the most effective, creative, high-performing, and premium programs in the market that are then delivered to the company's massive, valuable audience. In doing so, the department generates steady, purposeful revenue to support the company's continued investment in its platform for intelligent, discursive, independent media. Unlike at many other media organizations, advertisers are viewed as equal platform participants with full access to sponsored publishing toolsets and promotion programs.

The Sales department will seek to expand its revenue generation through the following strategies across both its owned and operated properties and third party publisher properties. It will aim to capture more advertising spend across growing digital advertising formats such as mobile advertising, video advertising, sponsored content advertising, and programmatic transaction of advertising. The Sales department will continue to explore its emerging revenue streams of commerce and licensing. And with the investment in the technology platform, the Sales department will monetize third party publishers on the platform by extending the advertising, commerce, and licensing practices of its owned and operated business to the larger network of content creators. The Sales department will deploy capital over the next several years to support its strategy with the following investments:

1. *Sales Talent*: The Sales department will hire salespeople and sales support people across all territories to broadly increase Gawker Media Group's capacity to onboard new advertising partners and manage more advertising spend from existing partners.
2. *Creative and Marketing Talent*: The Sales department and its creative arm Studio@Gawker will continue investing in sponsored content and integrated marketing to continue to shore up Gawker Media Group's position as a premium, brand-safe, creative marketing studio that is differentiated from the standardized advertising offerings of competitors but is still eminently scalable.
3. *Video Talent*: As the contribution of video advertising to overall advertising growth increases, the Sales department will hire and invest in video creation and distribution to capture advertising spend in the fastest growing area of the online advertising market.
4. *Programmatic Sales Talent*: The Sales department will invest in programmatic sales leadership to ensure the company is well positioned to continue to take advertising spend as partnerships move from manual to automated, programmatic sales technology.
5. *Training*: Continuing the company's strong history of elevating within, the Sales department will invest in continued training in

leadership and various industry subject matters across the Sales department. Training will also help as the company looks to improve its sellers' consultative, creative approach to solving advertisers' challenges.

6. *Publisher Development*: The Sales department will hire a publisher development group to source, onboard, and monetize new publishing partners on the platform.
7. *Sales Technology*: As industry standards mature, the Sales department will continue to explore new technology partners to better automate creation of video, mobile, sponsored content, and other types of emerging advertising.
8. *Analytics*: The Sales department will contract new analytics partners to better communicate advertising clients' return on investment with the company.

## Operations Growth Plan

The Operations department at Gawker Media Group supports the overall operations of the company by finding, growing, and retaining the best talent in the industry and by providing that talent the resources, facilities, financial support, and legal leadership to do their very best in achieving the company's mission.

The Operations department will grow its capabilities in supporting the company's overall productivity by investing in its various functions at a pace that scales with the company's overall expectation of growth. People & Culture aims to improve the overall talent pool of the company with focuses on recruitment and performance management in a market that has become particularly competitive. Facilities aims to create and maintain a productive environment for all employees that also serves as a cultural recruitment vehicle. Finance aims to provide financial analysis, planning, budgeting, and collections support for all of the company's revenues and

expenses. Legal supports the company's work with counsel on a variety of matters.

The Operations department will grow headcount and increase spending on pace with the overall expected growth of the company. Its major investment will be in increasing and improving the company's people and in facilities to accommodate this growing talent pool.

### *1. People & Culture*

- a. Recruitment: The company will continue to invest in growing its inhouse recruiting group to improve its ability to meet hiring needs. The company will also continue to contract with top tier outside recruiting firms in areas of functional expertise such as sales and technology. As the New York City market sees increasing competition for senior talent in media and particularly in technology, investing in recruiting is a key tactic for winning the country's best talent.
- b. Talent Management: The company has recently begun to develop its talent management program. It plans to invest in training (public speaking, sales, design, engineering, mobile) to improve the skills of its employees. It will also invest in management training to encourage junior and mid-level employees to mature into senior leaders within the organization. The company has a long history of elevating from within and intends to continue supporting its employees as they seek management roles internally.

### *2. Facilities*

- a. Office Management: As the company intends to grow its overall headcount, it plans to continue investing in office maintenance, furnishings, and spaces. Earlier this year, Gawker Media Group signed a lease for 57,978 square feet on floors 2-4 at 114 Fifth Avenue for its New York headquarters. The lease is a 15-year term with an option for the company to cancel at the end of 10 years. The company expects to sublet the fourth floor

for 3-5 years and expand into it later. The average rent cost for all three floors is \$4,882,400 a year. The office will include an entertainment space for everything from staff events to client entertainment to movie screenings.

- b. Information Technology: The company provides wireless Internet, videoconference, teleconferencing, and electronic screens throughout its open office spaces and conference rooms. The company will continue to invest in IT needs as overall headcount grows.

### 3. *Finance*

- a. The company intends to improve its financial planning and analysis functions in addition to maintaining strong budgeting and collections functions.

### 4. *Legal*

- a. The company continues to professionalize its approach to legal matters with strong in-house counsel and relationships with several outside counsel. The company will continue to fund counsel as necessary for transactional, intellectual property, employment, First Amendment, international, and other legal matters.

## Management Team

### **CEO & Founder, Nick Denton**

*2002 - present*

Nick Denton founded Gawker Media in 2002. He was drawn to Internet media in 1996, first writing on the subject for the *Financial Times* for eight years and then founding two Internet technology startups and selling them at the top of their respective cycles. Denton launched First Tuesday as an Internet era networking events business with branches in 80 cities and sold before the peak in 2000. Denton launched Moreover Technologies, which provided news search to Fortune 500 companies and was sold to Verisign in 2005. Denton is also the author of *All That Glitters*, an account of the collapse of a major UK investment bank. Nick Denton has been profiled, featured, and interviewed by *The New York Times*, *The New Yorker*, *The Today Show*, *The Wall Street Journal*, and many more. Denton is today considered the originator of blogging as a viable business, which has been emulated by mainstream media to startup media alike and is the mostly widely practiced form of Internet publishing. Nick Denton is a graduate of Oxford University.

### **President & General Counsel, Heather Dietrick**

*2013 - present*

Heather Dietrick brings 8 years of wide-ranging legal experience with particular specialization in the legal issues related to the First Amendment, digital publishing, advertising, trademark, copyright, and privacy. She served as in-house counsel for global publishing house Hearst Corporation and as an associate at the international law firms Goodwin Procter and Heller Ehrman. Dietrick completed a clerkship for the Honorable Sandra Townes in the Eastern District of New York and an internship for Chief Justice William Rehnquist of the Supreme Court of the United States. Heather Dietrick holds a B.A. from Georgetown University and a J.D./M.B.A. from University of Michigan.

## **Chief Technology Officer, Tom Plunkett**

*2005 - present*

Tom Plunkett brings 16+ years of experience in producing technology products and engineering processes to his role at Gawker Media. He presently leads a multinational department of 60+ staff in product, engineering, and systems operations. Plunkett architected the early publishing platform and back-end tools to support Gawker Media Group that have formed the model for online publishing applications across the web. He continues to develop toward the future of online media publishing and monetizing for Gawker Media Group. Previously Plunkett was CTO of Bolt Media, an early social networking, messaging, and video sharing site that attracted tens of millions of users and served as the early message board for FOX's "American Idol." At Bolt, Plunkett led a team that oversaw all aspects of platform development, product planning, user experience, and scaling for rapid user growth. He has also co-founded two startups, video platform Motionbox and music service SuperGlued, which were acquired by Snapfish and Complex Media respectively. Tom Plunkett holds a B.S. from the University of Connecticut and a M.A. from the University of Connecticut.

## **President, Advertising & Partnerships, Andrew Gorenstein**

*2011 - present*

Andrew Gorenstein brings 15+ years of online advertising experience in online media and advertising. He presently leads 50+ sales and marketing professionals in delivering industry-acclaimed brand marketing programs and strong, year-over-year revenue growth for Gawker Media. Gorenstein has held leadership and corporate roles in advertising sales and revenue generation across premium media brands. Most recently he was Condé Nast's Senior Executive Director of Digital Sales, where he ran digital sales and strategy across all of the company's publications from *Wired* to *Vanity Fair*. Gorenstein brings additional experience in online advertising sales at business publication *Forbes* and at CMP Media. Gorenstein has been featured in numerous publications and was named as one of *Advertising*

Age magazine's 40 Under 40. Andrew Gorenstein holds a B.A. from Boston University.

### **Chief Operating Officer, Scott Kidder**

*2005 – present*

Scott Kidder brings 15+ years experience in managing Internet media and technology organizations to Gawker Media. As head of all operations for the business, Kidder oversees domestic and international finance, legal, people and culture, facilities, and numerous special projects. Kidder has additional experience in startups through his business operations role at The Hype Machine and in television programming and operations through early roles at ABC News and Scripps-Howard Broadcasting. He previously founded a successful web development firm that retained numerous clients in the publishing, technology, and service industries. He has been twice named to *Forbes'* 30 Under 30 in Media. Scott Kidder holds a B.A. from New York University.

### **Chief Strategy Officer, Erin Pettigrew**

*2005 – present*

Erin Pettigrew brings 10+ years experience in online media and technology businesses to her role at Gawker Media. She leads a business development and strategy team that both concepts and implements new revenue programs, partnerships, and products. Pettigrew has held leadership positions throughout the business side of the organization with focuses on sales marketing, business development, advertising technology, and hiring strong executive talent. She was recognized with the Digital Media Leadership Award for her career in the industry and profiled in a recently released business book. Pettigrew and has been featured in publications such as Digiday and Business Insider and speaks regularly at industry conferences and events. Erin Pettigrew holds a B.A. from Yale University.

### **Executive Editor, Tommy Craggs**

*2010 – present*

Tommy Craggs brings five years experience in leading Gawker Media Group editorial property Deadspin as well as outside experience from key publications to his role as the company's most senior editorial manager. Craggs previously worked in editorial at *SF Weekly* and *ESPN Magazine*. He has been published in *The New York Times*, *Slate*, *New York Magazine*, and his work has twice been anthologized in annual editions of *The Best American Sports Writing*. Tommy Craggs holds a B.A. in Journalism from Northwestern University.

## Editorial Team

---

### **Editor in Chief of Gawker, Max Read**

*2010 - present*

Max Read became Editor in Chief of Gawker in 2014 before which he served as a staff writer for the site. He has overseen the site's continued evolution into one of the most widely read general news sites on the web. He previously wrote for The Daily Beast. Max Read holds a B.A. from Occidental College.

### **Editor in Chief of Gizmodo, Brian Barrett**

*2009 - present*

Brian Barrett joined Gizmodo in 2009 and took over as Editor in Chief in 2013. He has supported and led the site's rise as one of the pre-eminent technology publications in the world. Barrett was previously an international business reporter for Japanese newspaper *Yomiuri Shimbun*. Brian Barrett holds a B.A. from Princeton University.

### **Editor in Chief of Lifehacker, Whitson Gordon**

*2009 - present*

Whitson Gordon is the Editor in Chief of Lifehacker, he manages one of the web's most beloved sites on technology, software, and productivity. Gordon was previously a contributor at Macworld and worked in television programming. Whitson Gordon holds a B.A. from University of Michigan.

### **Editor in Chief of Kotaku, Stephen Totilo**

*2009 - present*

Stephen Totilo oversees the team at Kotaku, which covers the explosive rise of video games and gaming culture. Totilo is also a contributor on video games to *The New York Times*. He previously spent nine years as an editorial and on-air reporter for MTV News. Before that he led various entertainment programming initiatives at VH1. Stephen Totilo holds a B.A.

from New York University and a Masters in Journalism from Columbia University.

### **Editor in Chief of Deadspin, Tim Marchman**

*2013 - present*

Tim Marchmann took over as the Editor in Chief of Deadspin in 2015 after a successful tenure as deputy to Tommy Craggs since 2013. Previously he wrote for the *Wall Street Journal*, the *New York Sun*, *Sports Illustrated*, and *Slate*, among other publications; was an editor at *New York Press*; and co-founded *The Classical*. A 2011-12 Knight-Wallace Fellow at the University of Michigan, he lives in Chicago's Hyde Park neighborhood with his wife and two children.

### **Editor in Chief of Jezebel, Emma Carmichael**

*2010 - present*

Emma Carmichael leads the team at Jezebel and is known for both her writing and managing of lifestyle and culture sites. Her writing has been published by *The Atlantic*, *Slate*, *Sports Illustrated*, and more. Carmichael was previously Managing Editor of Deadspin and Gawker and was Editor in Chief of women's interest site The Hairpin. Emma Carmichael holds a B.A. from Vassar College.

### **Editor in Chief of Jalopnik, Matt Hardigree**

*2007 - present*

Matt Hardigree began writing for Jalopnik in 2007 and took over as Editor in Chief in 2012. His writing has appeared in *Fast Company* and NBC Sports and can be seen in an upcoming book. He was previously Managing Director of a political lobbying firm in Chicago and an analyst at a financial due diligence firm. Hardigree has been interviewed on Bloomberg TV, CNN, CNBC, NPR, Fox Business Network, and ABC affiliate WXYZ-TV in Detroit. Matt Hardigree holds a B.A. from University of Texas.

### **Editor in Chief of io9, Annalee Newitz**

*2007 - present*

Annalee Newitz is the founder of io9 and a well-regarded journalist who covers science, technology, and their intersections in our culture. She has also held leading editorial roles at *Popular Science* and *Wired* and has been published by *Washington Post*, *Smithsonian Magazine*, *Slate* and more. She was previously a Knight Science Journalism Fellow at Massachusetts Institute of Technology. Newitz is the author of several books including her latest *Scatter, Adapt, and Remember*, which was a finalist for the *Los Angeles Times* Book Prize. Annalee Newitz holds a B.A. and Ph.D. from U.C. Berkeley.

# **Appendices**

1. Financial Model
2. Audited 2013 Financials for Gawker Media Group, Inc

Gawker Media Group, Inc.  
Historical Financials and Projections

BASE CASE

	2012	2013	2014	2015	2016	2017	2018	2019
Direct Advertising (Gross)	\$ 22,828,044	\$ 27,475,888	\$ 34,123,744	\$ 40,948,492	\$ 47,090,766	\$ 54,154,381	\$ 62,277,538	\$ 71,619,169
<i>Direct Advertising Campaign Costs</i>	<i>(670,701)</i>	<i>(1,361,362)</i>	<i>(1,591,390)</i>	<i>(1,909,668)</i>	<i>(2,196,118)</i>	<i>(2,525,536)</i>	<i>(2,904,366)</i>	<i>(3,340,021)</i>
Direct Advertising (Net Campaign Costs)	\$ 22,157,343	\$ 26,114,526	\$ 32,532,354	\$ 39,038,824	\$ 44,894,648	\$ 51,628,845	\$ 59,373,172	\$ 68,279,148
Commerce & Licensing	\$ 3,527,790	\$ 7,523,765	\$ 11,263,944	\$ 12,953,536	\$ 14,896,567	\$ 17,131,052	\$ 19,700,709	\$ 22,655,816
Platform / Non-Owned & Operated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 25,685,133</b>	<b>\$ 33,638,291</b>	<b>\$ 43,796,298</b>	<b>\$ 51,992,360</b>	<b>\$ 59,791,214</b>	<b>\$ 68,759,897</b>	<b>\$ 79,073,881</b>	<b>\$ 90,934,963</b>
Business	\$ 5,657,832	\$ 7,947,952	\$ 10,554,455	\$ 12,137,624	\$ 13,958,267	\$ 16,052,007	\$ 18,459,809	\$ 21,228,780
Technology	\$ 5,158,966	\$ 5,817,515	\$ 7,983,807	\$ 9,181,378	\$ 10,558,585	\$ 12,142,372	\$ 13,963,728	\$ 16,058,287
Editorial	\$ 9,196,775	\$ 10,736,361	\$ 13,211,697	\$ 15,193,452	\$ 17,472,470	\$ 20,093,340	\$ 23,107,341	\$ 26,573,442
Operations	\$ 2,554,265	\$ 3,184,555	\$ 5,346,229	\$ 8,447,043	\$ 9,291,747	\$ 10,220,921	\$ 11,243,014	\$ 12,367,315
<b>Total Expenses</b>	<b>\$ 22,567,837</b>	<b>\$ 27,686,383</b>	<b>\$ 37,096,189</b>	<b>\$ 44,959,496</b>	<b>\$ 51,281,068</b>	<b>\$ 58,508,641</b>	<b>\$ 66,773,891</b>	<b>\$ 76,227,824</b>
<b>EBIT / Operating Income</b>	<b>\$ 3,117,296</b>	<b>\$ 5,951,908</b>	<b>\$ 6,700,109</b>	<b>\$ 7,032,864</b>	<b>\$ 8,510,146</b>	<b>\$ 10,251,255</b>	<b>\$ 12,299,990</b>	<b>\$ 14,707,139</b>
<i>Mock EBITDA (capitalizing tech labor)</i>	<i>\$ 4,153,624</i>	<i>\$ 6,733,447</i>	<i>\$ 8,057,611</i>	<i>\$ 8,024,599</i>	<i>\$ 9,135,212</i>	<i>\$ 10,970,081</i>	<i>\$ 13,126,639</i>	<i>\$ 15,657,786</i>
Margin on EBIT	12%	18%	15%	14%	14%	15%	16%	16%
Margin on EBITDA	16%	20%	18%	15%	15%	16%	17%	17%
Total Headcount	141	184	239	277	306	339	374	414

CONFIDENTIAL

Gawker Media Group, Inc.  
Historical Financials and Projections

	GROWTH PLAN							
	2012	2013	2014	2015	2016	2017	2018	2019
Direct Advertising (Gross)	\$ 22,828,044	\$ 27,475,888	\$ 34,123,744	\$ 40,948,492	\$ 49,138,191	\$ 61,422,738	\$ 76,778,423	\$ 95,973,029
<i>Direct Advertising Campaign Costs</i>	<i>(670,701)</i>	<i>(1,361,362)</i>	<i>(1,591,390)</i>	<i>(1,909,668)</i>	<i>(2,291,602)</i>	<i>(2,864,502)</i>	<i>(3,580,628)</i>	<i>(4,475,784)</i>
Direct Advertising (Net Campaign Costs)	\$ 22,157,343	\$ 26,114,526	\$ 32,532,354	\$ 39,038,824	\$ 46,846,589	\$ 58,558,236	\$ 73,197,796	\$ 91,497,244
Commerce & Licensing	\$ 3,527,790	\$ 7,523,765	\$ 11,263,944	\$ 12,953,536	\$ 15,544,243	\$ 18,653,092	\$ 23,316,365	\$ 29,145,456
Platform / Non-Owned & Operated	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,500,000	\$ 4,500,000	\$ 11,250,000	\$ 16,875,000
<b>Total Revenue</b>	<b>\$ 25,685,133</b>	<b>\$ 33,638,291</b>	<b>\$ 43,796,298</b>	<b>\$ 52,492,360</b>	<b>\$ 63,890,833</b>	<b>\$ 81,711,328</b>	<b>\$ 107,764,161</b>	<b>\$ 137,517,701</b>
Business	\$ 5,657,832	\$ 7,947,952	\$ 10,554,455	\$ 12,665,347	\$ 15,831,683	\$ 18,998,020	\$ 22,797,624	\$ 26,217,267
Technology	\$ 5,158,966	\$ 5,817,515	\$ 7,983,807	\$ 10,378,949	\$ 14,011,581	\$ 18,215,055	\$ 23,679,572	\$ 29,599,465
Editorial	\$ 9,196,775	\$ 10,736,361	\$ 13,211,697	\$ 15,854,037	\$ 18,232,142	\$ 20,966,964	\$ 23,063,660	\$ 25,370,026
Operations	\$ 2,554,265	\$ 3,184,555	\$ 5,346,229	\$ 8,447,043	\$ 9,460,688	\$ 10,595,970	\$ 11,867,487	\$ 13,291,585
<b>Total Expenses</b>	<b>\$ 22,567,837</b>	<b>\$ 27,686,383</b>	<b>\$ 37,096,189</b>	<b>\$ 47,345,375</b>	<b>\$ 57,536,094</b>	<b>\$ 68,776,009</b>	<b>\$ 81,408,342</b>	<b>\$ 94,478,343</b>
<b>EBIT / Operating Income</b>	<b>\$ 3,117,296</b>	<b>\$ 5,951,908</b>	<b>\$ 6,700,109</b>	<b>\$ 5,146,986</b>	<b>\$ 6,354,738</b>	<b>\$ 12,935,320</b>	<b>\$ 26,355,818</b>	<b>\$ 43,039,357</b>
<i>Mock EBITDA (capitalizing tech labor)</i>	<i>\$ 4,153,624</i>	<i>\$ 6,733,447</i>	<i>\$ 8,057,611</i>	<i>\$ 6,517,548</i>	<i>\$ 7,882,676</i>	<i>\$ 14,839,560</i>	<i>\$ 28,749,251</i>	<i>\$ 45,776,292</i>
Margin on EBIT	12%	18%	15%	10%	10%	16%	24%	31%
Margin on EBITDA	16%	20%	18%	12%	12%	18%	27%	33%
Total Headcount	141	184	239	289	335	384	437	490

CONFIDENTIAL