

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

TERRY GENE BOLLEA professionally  
known as HULK HOGAN,

Plaintiff,

vs.

Case No.: 12012447-CI-011

GAWKER MEDIA, LLC aka  
GAWKER MEDIA; et al.,

Defendants.

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**AFFIDAVIT OF DAVID H. CARR**

I, David H. Carr, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief.

1. I am Senior Vice President, Construction - Surety/Risk Management at Willis Towers Watson, one of the world's largest bond brokers. My office is in Tampa, Florida.
2. After the jury rendered its verdict in the above-captioned case, I was asked by Heather Dietrick, President and General Counsel of Gawker Media, LLC ("Gawker Media"), to explore whether a company in Gawker Media's financial position could secure a supersedeas bond.
3. In my experience, bonding companies typically look at the "book value" of a company for purposes of determining whether they will issue a supersedeas bond, and if so in what amount. Book value reflects a company's assets minus its liabilities under generally accepted accounting principles.
4. Ms. Dietrick provided me with financial information about the company – specifically, the audited financials for Gawker Media's parent company, Gawker Media Group, Inc. ("GMGI"), for the year ending December 31, 2014 and GMGI's unaudited balance sheet and income statement from the first quarter of 2016. From this information, I determined that

GMGI has a book value of approximately \$10 million, based on its total assets minus its liabilities at the end of the first quarter in 2016.

5. I then contacted five companies that provide supersedeas bonds in Florida: Chubb, Liberty Mutual, Hartford, One Beacon, and Zurich. Each of those companies stated that they would not issue a company with a book value in the range of \$10 million to \$15 million a bond for \$50 million unless the company could provide full collateral, such as a letter of credit from a financial institution equal to the amount of the bond, or in some cases cash. Consistent with my experience, they would not accept shares of stock as collateral sufficient to issue a bond, under such circumstances.

6. This response did not surprise me, as it is typical practice in the bond industry under these circumstances. Bonding companies view appeal bonds to be a very high risk exposure and only would consider writing a bond without collateral if the company needing the bond had equity (i.e, book value) or a liquid position greatly in excess of or in multiples of the bond amount. Appeal bonds are financial guarantees, and therefore the surety would look to be reimbursed from the appellant via the indemnity agreement/collateral for any monies that the surety would have to pay by virtue of issuing the bond.

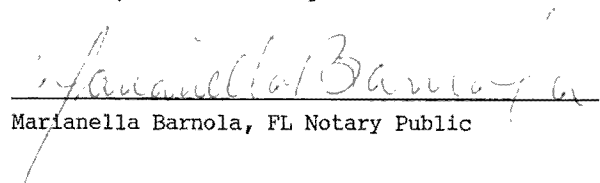


David H. Carr

State of Florida

County of Hillsborough

On this 9th day of June, 2016, before me personally came David H. Carr, who is personally known to me, to be the person who executed the foregoing instrument, and acknowledged to me that he executed the same.



Marianella Barnola, FL Notary Public

