

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 HEATHER DIETRICK**

I, Heather Dietrick, 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 the President and General Counsel of Gawker Media LLC (“Gawker Media”). Gawker Media currently has almost 200 employees and pays numerous vendors for goods and services, just like any business.

2. I make this affidavit for the purpose of providing to the Court information concerning Gawker Media’s present financial circumstances and its ability to provide security for purposes of obtaining a stay of execution of any judgment in this case pending an appeal.

3. Attached is an internal balance sheet prepared by Gawker Media’s accounting department as of May 31, 2016. The balance sheet is unaudited.

4. The balance sheet shows that, as of May 31, Gawker Media had approximately \$5.3 million in cash on hand. In addition, the balance sheet shows that, as of that date, the company had approximately \$11.9 million in account receivables that it is owed.

5. As the balance sheet reflects, Gawker Media does not own any real estate, nor does it own any significant other tangible assets.

6. In addition to amounts that Gawker Media owes to Kinja to repay loans from Kinja, which are reflected on the balance sheet as “intercompany payables,” and “intercompany note payable” Gawker Media’s principal liabilities are:

- (a) a term loan from Columbus Nova in the amount of \$15,000,000. The loan is payable in January 2019 and it carries a rate of 10% interest. The loan is secured by all of Gawker’s cash and receivables.
- (b) a term loan from Silicon Valley Bank (“SVB”) in the amount of \$6,444,444. The loan is secured and it has first priority to the other loans set forth here. In addition, the loan agreement with SVB contains covenants that require Gawker Media to maintain a 1:1 ratio of its assets (including cash and receivables) to its liabilities (excluding the Columbus Nova loan), which it reports to SVB on a quarterly basis.
- (c) A letter of credit in the amount of \$5.3 million from SVB, also secured, which was obtained to secure Gawker’s lease on its current premises.

7. Since the jury’s verdicts in this case were announced on March 18, 2016 and March 21, 2016, Gawker Media has undertaken extensive measures to determine the amount of security that it could offer to the Court in return for a stay of execution pending an appeal of any judgment entered in this case, while operating as a solvent business.

8. To explore whether a company in Gawker Media’s financial position could obtain a supersedeas bond, Gawker Media retained a broker, David H. Carr, with the firm of Willis Towers Watson.

9. I also contacted Silicon Valley Bank, one of our current lenders, to determine whether the bank would issue a letter of credit for purposes of obtaining a bond, and if so in what

amount. The bank informed me that they would only consider issuing a letter of credit in exchange for cash as collateral, if at all.

10. Gawker Media also retained financial consultants to conduct an independent analysis of its projected cash flow, including to determine how much cash it could pledge without risking immediate insolvency.

11. Their analysis concluded that even without a stay of execution of this judgment, Gawker Media faces significant challenges to its ability to continue to operate with positive cash flow, in large part due to the enormous legal fees that Gawker Media has incurred, and will continue to incur, in this case and others filed by Mr. Harder. As a result, Gawker Media cannot post a bond in any substantial amount.

  
Heather Dietrick

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing Affidavit of Heather Dietrick was SWORN TO AND SUBSCRIBED before more this <sup>9<sup>th</sup></sup> day of June 2016.

  
Notary Public, State of New York

