

Exhibit 4

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. 12012447CI-011

HEATHER CLEM; GAWKER MEDIA, LLC
aka GAWKER MEDIA; GAWKER MEDIA
GROUP, INC. aka GAWKER MEDIA;
GAWKER ENTERTAINMENT, LLC;
GAWKER TECHNOLOGY, LLC; GAWKER
SALES, LLC; NICK DENTON; A.J.
DAULERIO; KATE BENNERT, and
BLOGWIRE HUNGARY SZELLEMI
ALKOTAST HASZNOSITO KFT aka
GAWKER MEDIA,

Defendants.

**PLAINTIFF TERRY BOLLEA'S
MOTION TO COMPEL FULL AND COMPLETE FINANCIAL WORTH DISCOVERY
AND ADDITIONAL FINANCIAL WORTH DEPOSITIONS**

Plaintiff Terry Bollea, professionally known as “Hulk Hogan” (“Bollea”), by counsel and pursuant to Rule 1.380, Florida Rules of Civil Procedure, moves for the entry of an order compelling Defendants, Gawker Media, LLC (“Gawker”), Nick Denton (“Denton”) and A.J. Daulerio (“Daulerio”) (collectively, “Gawker Defendants”), to provide a full and complete disclosure of their net worth and to appear for additional depositions once those disclosures have been made, and states in support as follows:

On May 29, 2015, Mr. Bollea was granted leave to amend to assert a claim for punitive damages and, as a result, is entitled to full and complete discovery concerning Gawker Defendant’s net worth. Gawker Defendants objected to the scope of the financial worth discovery that Mr. Bollea originally served. Based on these objections, at the May 29, 2015

hearing, the parties agreed and the Court ordered that Gawker Defendants would provide certain financial worth discovery to Mr. Bollea, with the caveat that Mr. Bollea would be entitled to seek additional discovery if Gawker Defendants' responses were incomplete. Most notably, Gawker Defendants were required to provide documents "sufficient to show... Gawker's, Denton's and Daulerio's actual and estimated net worth." Mr. Bollea was hopeful that Gawker Defendants would, as promised, provide discovery sufficient to determine their net worth. Unfortunately, this has not occurred.

Gawker Defendants instead produced minimal, incomplete documentation, and general, unsubstantiated testimony regarding their net worth. They produced *some* tax returns. They produced **some** financial statements. They produced **some** year-end, undetailed account statements. Gawker Defendants produced as little information as possible while still attempting to make it **appear** as if they were complying with the Court's order.

Many of the documents Gawker Defendants produced demonstrate that **other** relevant documents exist that were not provided to Mr. Bollea. Additionally, on June 16-17, 2015, Mr. Bollea's counsel incurred the cost and expense of preparing for and traveling to New York to take the depositions of Gawker Defendants regarding their net worth. These depositions confirmed that **Gawker Defendants failed to produce numerous documents** that are necessary and relevant to establishing their net worth. Many of these documents are **easily accessible** by Gawker Defendants on their computers and other devices. In particular, Mr. Bollea learned that the following, discoverable documents exist, which Gawker Defendants failed to produce:

1. **Written valuation(s) of Gawker-affiliated companies:** In early 2015, Gawker explored debt financing through Young America Capital, Inc. ("YAC"). As part of that process, Gawker provided, or YAC prepared, a **written valuation** of Gawker Media Group, Inc. ("GMGI"), including its wholly owned assets, Gawker and Kinja, KFT ("Kinja"). It is commonplace for such valuations to be prepared during debt financing efforts. Yet Gawker Defendants **failed to produce** this written valuation related to its

debt financing efforts through YAC, or any other written valuations of Gawker-affiliated companies. All should be ordered produced.

2. **Written future financial projections:** As part of its involvement with YAC, Gawker provided YAC with various future financial projections for the company. Gawker's corporate designee, COO and acting CFO Scott Kidder, testified that he prepared various financial projections during 2014–2015. Mr. Kidder also confirmed that he maintains copies of these projections on his computer. However, none of these projections were produced. Mr. Bollea is entitled to **all financial projections** for GMGI, Gawker and Kinja prepared during 2014 through 2015.

3. **Financial Information Provided to The Brenner Group:** Mr. Denton produced certain reports from The Brenner Group, which valued certain GMGI stock. Yet GMGI, Gawker and Kinja provided financial projections and other financial documents and information to The Brenner Group for use in its valuation. None of those financial projections, or the other financial information and documents were produced to Mr. Bollea. Mr. Bollea is entitled to these documents because they can be (and actually were) used to assist in the valuation of GMGI, Gawker and Kinja.

3. **GMGI's tax returns:** None of GMGI's tax returns have been produced. Mr. Bollea is entitled to these documents to assist in the valuation of defendant Nick Denton's ownership interest in GMGI, which is his largest asset.

4. **Kinja's and GMGI's bank statements:** None of these bank statements have been produced. Mr. Denton and Mr. Kidder confirmed at their depositions that these entities have bank accounts. Mr. Bollea is entitled to the statements from these bank accounts to value Mr. Denton's ownership interest in GMGI, including GMGI's subsidiaries, Gawker and Kinja, and their assets.

5. **Kinja's tax returns:** Kinja is a Hungarian corporation to which Gawker transfers millions of dollars each year (constituting all or nearly all of Gawker's profits). Kinja files tax returns in Hungary. However, Kinja's tax returns have not been produced. These documents are necessary to value Mr. Denton's ownership interest in GMGI, which owns 100% of Kinja.

6. **Denton's financial information sent to JP Morgan:** Mr. Denton recently obtained a \$2 million mortgage on his New York apartment, and used the proceeds for renovations and other expenditures. However, Mr. Denton failed to produce copies of his financial information and application to JP Morgan for the \$2 million mortgage. Mr. Bollea is entitled to this documentation, which will include the net worth and financial information that Mr. Denton himself provided to JP Morgan in connection with his mortgage.

7. **Denton's National Financial Services accounts:** Mr. Denton failed to produce account statements for his "National Financial Services" account(s), as listed in his tax returns, which generated over \$4,600 in interest in [REDACTED] alone. Mr. Bollea is entitled to this documentation to determine the value of Mr. Denton's assets.

8. **Denton's foreign bank account statements:** Mr. Denton lists several foreign bank accounts on his 2012 tax return. However, he failed to produce any bank statements from any of these accounts.
9. **Governing documents associated with GMGI, Gawker and Kinja:** Mr. Denton and Gawker failed to produce any operating agreements, shareholder agreements, stock option agreements, buy-back agreements, by-laws and similar agreements or governing documents associated with GMGI, Gawker and Kinja. These documents are necessary to value Mr. Denton's stock, as well as to determine whether there is any control premium associated with it.
10. **Gawker, GMGI, and/or Kinja insurance policies:** Mr. Denton and Gawker failed to produce insurance policies for Gawker, GMGI and/or Kinja providing for key man insurance, renters insurance, or business loss insurance. These policies are relevant to determining the value of GMGI and Gawker, as well as their assets and business operations. Mr. Bollea is entitled to these materials.
11. **Silicon Valley Bank construction loan documents:** Gawker failed to produce documents associated with the recent \$8 million construction loan Gawker obtained from Silicon Valley Bank (SVB) to construct its new offices located at 114 Fifth Avenue. These documents would include, but not be limited to, loan applications, financial disclosures, promissory notes, loan agreements, guarantees, financial covenants and conditions, and related materials. Mr. Bollea is entitled to these documents to value Gawker and GMGI.
12. **Financial disclosures re: 114 Fifth Avenue lease:** Gawker, Kinja and/or GMGI provided financial disclosures to their new landlord in connection with the negotiation and execution of the new lease for 114 Fifth Avenue. Mr. Bollea is entitled to these financial disclosures.
13. **Kinja/Gawker Inter-Company Development Agreement, Royalty Agreement, and related documents:** Mr. Denton and Gawker failed to produce the Inter-Company Development Agreement between Kinja and Gawker, and any similar agreement(s) relating to the loaning out of one company's employees to the other company, as well as the Royalty Agreement between Kinja and Gawker, which provides the basis for Gawker transferring a large percentage of its profits to Kinja each year. They have also failed to produce copies of documents sufficient to establish how the "royalty payment" from Gawker to Kinja is calculated each year, and the services provided in exchange. Mr. Bollea is entitled to these agreements and documents to assist in the valuation of Gawker and GMGI.
14. **Denton's Loans/Investments:** Mr. Denton failed to produce any documents evidencing loans to or investments made by Mr. Denton in GMGI, Gawker, or Kinja. Mr. Denton testified that such documents exist.
15. **International licensing agreements:** The only source of revenue for the Gawker entities, aside from the revenue generated by Gawker, is from international licensing agreements. These Licensing Agreements between Kinja and other companies for

international licensing of Gawker content and/or Kinja intellectual property have not been produced.

16. **Monthly financial reports to SVB:** Mr. Kidder confirmed at his deposition that Gawker is required to provide monthly financial reports to SVB, under the terms and conditions of covenants in the contracts governing Gawker's line of credit and notes. These monthly financial reports prepared by Mr. Kidder and provided to SVB were not produced.

17. **Documents associated with a GMGI "stock split" in 2013:** were not produced.

18. **Gawker Stock Option Plan:** was not produced.

19. **Capitalization tables:** Only one "capitalization table" or "cap table" for GMGI was produced. Mr. Bollea is entitled to cap tables for Gawker, GMGI and Kinja, from 2011 through the present to trace the ownership of the companies.

20. **Board meeting minutes:** Mr. Bollea is entitled to all board meeting minutes reflecting the discussion of Gawker, Kinja or GMGI's financial condition, loans, stock prices, royalty payments, offers to buy GMGI or any interest therein, debt financing, and valuations of GMGI, Gawker and/or Kinja during 2014–2015.

21. **Gawker and GMGI's state and local income tax returns:** were not produced.

22. **Denton's prenuptial agreement:** Mr. Denton did not produce his prenuptial agreement, including any financial disclosures by Mr. Denton associated with it. Under New York law, Mr. Denton was required to disclose his net worth in connection with this agreement. *See McKenna v. McKenna*, 994 N.Y.S.2d 381, 383 (A.D. 2014). Mr. Bollea is entitled to these recent disclosures.

23. **Denton's Citibank international account statements:** Mr. Denton failed to produce copies of statements from 2012 to the present for his Citibank international account, which is listed on Mr. Denton's 2011 tax returns.

24. **Denton's Fidelity investment accounts:** Mr. Denton failed to produce statements from 2012 to the present for all of his Fidelity investment accounts. These accounts generated over \$11,000 in interest in a calendar year, and clearly contained significant amounts of money.

25. **Denton's New York apartment insurance policies:** Mr. Denton failed to produce copies of insurance policies associated with his New York apartment, as well as a detailed description of, and values for the contents of, the apartment. Although Mr. Denton testified otherwise during his deposition, his mortgage requires him to maintain this insurance.

26. **Mr. Denton's 2013 W-2 forms:** were not all produced.

27. **Denton's U.S. treasury bonds statements:** Mr. Denton did not produce statements for his account that contained \$440,000 in U.S. treasury bonds and other

unspecified securities which he sold in or about 2012, or any documents demonstrating how this money was used.

28. **Denton's Bank of Scotland account:** Mr. Denton failed to produce any statements during the period 2012 to the present for a Bank of Scotland account about which he testified at deposition.

29. **Denton's Citigold accounts:** Mr. Denton did not produce statements for his three Citigold accounts in London for the period 2012 to the present. At least one of these accounts contained more than \$100,000.

30. **The transaction details from Mr. Denton's Chase bank account:** were redacted.

31. **Detailed monthly statements for Defendants' financial accounts:** Mr. Denton, Mr. Daulerio, Gawker, GMGI and Kinja all failed to produce detailed monthly statements for all of their financial accounts, including details of all deposits, credits, transfers, debits, withdrawals and checks. The details on the year-end statements that were produced are insufficient to determine the Gawker Defendants' respective net worth.

32. **Denton's irrevocable family trust documents:** Mr. Denton testified that he has placed an amount of shares that equal (according to the sole cap table produced by Gawker) over 20% of the total value of GMGI into an irrevocable family trust run by a member of his immediate family, but over which he claims to have no control. Mr. Bollea is entitled to documents from which he can ascertain whether, in fact, these shares can no longer be considered a part of Mr. Denton's net worth. Such documents include the trust documents, as well as those that clearly identify the grantor, trustees, beneficiaries and terms of the trust, as well as what shareholder voting rights belong to the family trust. Mr. Bollea is further entitled to documents that evidence the consideration originally paid for the shares placed in trust, the date of creation of the trust, and the date that these shares of GMGI belonging to Mr. Denton were deposited into the trust.

33. **Statements for Kinja's financial accounts in Hungary:** were not produced.

34. **Reports and notes of pitch meetings and meetings held with prospective purchasers or financiers who sought to buy Gawker or GMGI or a portion thereof:** were not produced. Mr. Denton testified that at least two of these meetings took place, and the value of GMGI was discussed in at least one of the meetings. These documents should include, but are not limited to, all documents associated with the meeting held last year at which an offer was made to purchase GMGI. These documents should also include, but are not limited to, all documents associated with the presentations YAC provided to two potential "investors" in connection with efforts to obtain debt financing for Gawker. They should also include the presentation itself (*i.e.*, Powerpoint), and any investor information materials or offering documents. Gawker Defendants also should be required to provide Mr. Bollea with the names of the potential "investors" and the Media Company that made the offer to purchase GMGI last year (which Mr. Denton refused to disclose during his deposition).

All of this information is discoverable. In *Tennant v. Charlton*, 377 So.2d 1169, 1170 (Fla. 1979), the Florida Supreme Court quoted with approval the opinion in *Donahue v. Hebert*, 355 So.2d 1264, 1265 (Fla. 4th DCA 1978), on the proper scope of net worth discovery: “The search for forgotten or hidden assets is of the essence of the discovery process. The whereabouts of assets disclosed by a recent income tax return, or shown on a recent financial statement furnished in another situation when the current litigation was not envisioned is very definitely appropriate inquiry as is the bona fides of the recent disposition of assets. These are routine inquiries for every knowledgeable trial lawyer in cases in which the financial resources of a party is a relevant issue. One must be afforded reasonable latitude in double and cross checking a party's statements about his current net worth. This, of course, can be done by reviewing income tax returns, recent financial statements, and the myriad of other sources of financial information.”

Mr. Bollea is entitled to information that allows him to determine Gawker Defendants’ net worth. In the case of Gawker, that includes projections of future revenue (which could affect the value of the company), and financial information provided to potential financiers and professionals engaged to value the company, as well as tax return information. In the case of Mr. Denton, it includes financial information provided to mortgage lenders, bank account information, and information regarding the value of the companies in which he holds stock. This also includes the value of GMGI and its subsidiaries, as Mr. Denton’s shares in that company are by far the most valuable single asset he holds. As such, this especially includes information regarding the family trust into which Mr. Denton has testified that he has transferred a significant portion of his main assets – his shares in GMGI. Mr. Bollea is not required to rely on Gawker Defendants’ representations as to what any of these assets are worth (and whether they are in the

possession of the Gawker Defendants)—under *Tennant* and *Donahue*, he is entitled to test and verify Gawker Defendants’ assertions.

For the foregoing reasons, the motion to compel should be granted. Moreover, because Gawker Defendants failed to produce documents within their possession, custody and control to which Mr. Bollea is clearly entitled, Gawker Defendants should be required to appear for the completion of their financial worth depositions once they have provided full and complete financial worth discovery. Mr. Bollea also respectfully requests that the Court consider ordering these depositions to take place in Pinellas County, Florida, so that he is not be forced to pay the cost and expense of traveling to New York again to complete these depositions. Alternatively, Mr. Bollea respectfully requests the Court consider requiring Gawker Defendants to pay for the costs associated with travel, including attorney time, incurred in completing these depositions.

Respectfully submitted,

/s/ Kenneth G. Turkel

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by E-Mail via the e-portal system this 22nd day of June, 2015 to the following:

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