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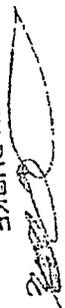
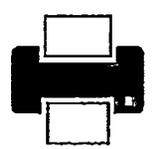
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EXHIBIT "38"

Page 1

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.

HEARING PROCEEDINGS BEFORE
 THE HONORABLE PAMELA A.M. CAMPBELL

DATE: June 10, 2016

TIME: 9:06 a.m. to 10:55 a.m.

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

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

Pages 1 to 62

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1 APPEARANCES CONTINUED AS FOLLOWS:
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 25

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1 PROCEEDINGS
 2 (Court called to order at 9:06 a.m.)
 3 THE COURT: All right. So we are here on
 4 Case No. 12-012447, Bollea vs. Gawker. We are
 5 here today for a number of motions.
 6 Before we get into that, are there any
 7 preliminary issues, Mr. Turkel?
 8 MR. TURKEL: No, Judge.
 9 THE COURT: Mr. Berry?
 10 MR. BERRY: Your Honor, I want to clarify for
 11 the record. We had a discussion in the hallway
 12 between counsel, and everybody has agreed that
 13 there will be, no matter what happens here with
 14 the stay motions and the request for relief that
 15 we're going to be discussing, there won't be any
 16 execution proceedings that will be commenced until
 17 the end of the hearing at the earliest.
 18 MR. TURKEL: I think what he's saying is
 19 while we're sitting here arguing, we're not going
 20 to be executing or docketing anything, which is
 21 consistent with when we said we would do it, until
 22 June 10th.
 23 THE COURT: Right.
 24 MR. BERRY: Until the hearing is adjourned,
 25 so nobody is racing to the courthouse, outside of

<p>Page 5</p> <p>1 the courthouse.</p> <p>2 THE COURT: Okay. Great. Well, what a</p> <p>3 wonderful agreement.</p> <p>4 Okay. So then we're here for Gawker</p> <p>5 defendants' request to stay pending appeal and to</p> <p>6 address the amount of the supersedeas bond. And</p> <p>7 there is plaintiff's motion to determine</p> <p>8 confidentiality of the court records that pertains</p> <p>9 to the pricing study, plaintiff's motion to</p> <p>10 determine the confidentiality of court records</p> <p>11 with the financial worth discovery, and the Court</p> <p>12 is going to give the ruling on the Mayer Brown,</p> <p>13 M-a-y-e-r, Brown report.</p> <p>14 Why don't we start first with defendants'</p> <p>15 motion to stay for execution of judgment.</p> <p>16 Mr. Berry?</p> <p>17 MR. BERRY: Thank you, Your Honor.</p> <p>18 Your Honor, as plaintiff argued at the last</p> <p>19 hearing and as the Court noted previously and,</p> <p>20 again, noted in the order on the permanent</p> <p>21 injunction that was entered earlier this week,</p> <p>22 this is a case that is unlike any other. I think</p> <p>23 at the last hearing, plaintiff's counsel said</p> <p>24 there was no case like this case. The judgment</p> <p>25 that Your Honor entered earlier in the week is of</p>	<p>Page 7</p> <p>1 our interest in preserving our right to appeal.</p> <p>2 And, Your Honor, ensuring that appeal is</p> <p>3 meaningful.</p> <p>4 My clients face financial ruin simply because</p> <p>5 of this unprecedented verdict. Ultimately, that</p> <p>6 verdict could be overturned or it could be</p> <p>7 reduced. As it stands now, if they face that</p> <p>8 verdict today, if they face that judgment today,</p> <p>9 they will face financial ruin. All we're asking,</p> <p>10 Your Honor, is to exercise the authority that's in</p> <p>11 your hand to give us a fair shot at the appeal</p> <p>12 that we have all been talking about for the past</p> <p>13 three years.</p> <p>14 I'm not coming to you today asking for a</p> <p>15 blank check to go to the appellate court. We're</p> <p>16 not seeking some sort of free ride. We're not</p> <p>17 seeking an unsecured stay. What we're asking for</p> <p>18 and what we put in our papers that we filed</p> <p>19 yesterday was a stay of execution pending appeal</p> <p>20 with serious conditions. Mr. Denton, as we said</p> <p>21 in the paper and now I can say the same for</p> <p>22 Mr. Daulerio, are literally willing to put their</p> <p>23 money where their mouth is. Both of them will</p> <p>24 pledge their shares of Gawker Media Group, Inc.,</p> <p>25 as security for the judgment that has been entered</p>
<p>Page 6</p> <p>1 unprecedented size. It's based on a verdict of</p> <p>2 unprecedented scale.</p> <p>3 During the course of the litigation over the</p> <p>4 past three years, Your Honor has repeatedly noted</p> <p>5 that this case raises significant issues that will</p> <p>6 ultimately have to be decided by the appeals</p> <p>7 court. There is constitutional issues about the</p> <p>8 right to privacy, about the First Amendment.</p> <p>9 There is issues about the elements of the torts,</p> <p>10 about what's compensable damages for each of those</p> <p>11 torts. There is evidentiary issues that we sat in</p> <p>12 the courthouse and debated both before the trial</p> <p>13 and during the trial. At each stage we have all</p> <p>14 understood that those are important issues.</p> <p>15 They're significant issues that the appeals court</p> <p>16 needs to decide.</p> <p>17 Today, Your Honor, I'm coming before you to</p> <p>18 ask for a meaningful opportunity to bring those</p> <p>19 issues to the appeals court. I understand my</p> <p>20 clients understand that the plaintiff wants</p> <p>21 security for the judgment. That's now been</p> <p>22 entered. What we are asking today, Your Honor,</p> <p>23 and what we respectfully would request from you is</p> <p>24 to balance those two interests: the plaintiff's</p> <p>25 interest on the one hand in securing his judgment,</p>	<p>Page 8</p> <p>1 with the Court pending the disposition of the</p> <p>2 appeals. This is their principal asset, and this</p> <p>3 is what the plaintiff would get, ultimately, if we</p> <p>4 were to execute.</p> <p>5 In our papers and in the bench memo that</p> <p>6 plaintiff filed, we've all agreed that the Court</p> <p>7 has the authority to stay execution. This is a</p> <p>8 judgment that Your Honor entered that includes</p> <p>9 both monetary damages and the injunctive relief.</p> <p>10 Thus, Rule 9.310(a) governs. Again, plaintiff has</p> <p>11 conceded as much in the bench memo that was filed</p> <p>12 on Wednesday. Under Rule 9.310(a) a stay pending</p> <p>13 review can be conditioned on the posting of a good</p> <p>14 and sufficient bond or other conditions or both.</p> <p>15 As the case law that we have cited makes</p> <p>16 clear, and that actually is cited in the</p> <p>17 plaintiff's papers as well, you are vested with</p> <p>18 discretion about the nature and the extent of the</p> <p>19 security. Effectively, that presents you with two</p> <p>20 questions. First, should a stay be entered, and,</p> <p>21 second, under what conditions?</p> <p>22 Here we've outlined in our papers -- I'm not</p> <p>23 going to go into great depth about it -- there is</p> <p>24 constitutional issues concerning the right to</p> <p>25 appeal. There is federal First Amendment and due</p>

<p>Page 9</p> <p>1 process issues. There is Florida issues 2 concerning the constitutional right to appeal. 3 Here, the stay should be issued so that our 4 appeal is not effectively moot. As I said, 5 without a stay, each defendant will immediately 6 face financial ruin. The ultimate result of the 7 appeal will be meaningless. But let me just get 8 down to brass tacks and talk about the conditions 9 for the stay. 10 As I understand it from the bench memo that 11 plaintiff filed and what was in the previous 12 filings before the last hearing -- and I don't 13 know if this has changed. We can discuss it later 14 if it has. 15 But the plaintiff has effectively asked the 16 Court to apply the formula for automatic stays and 17 money-only judgments under 9.310(b) or section 18 45.045, even though he concedes that neither of 19 those things actually apply here, because we're in 20 the 9.310(a) land. 21 Defendants simply cannot post \$150,000,000 22 bond at this point or post a bond of \$50,000,000 23 per defendant. If the stay is conditioned on 24 either of those terms, no defendant could get a 25 stay. Effectively, a high bond like that would be</p>	<p>Page 11</p> <p>1 As documented in his affidavit, he has checking 2 and savings accounts, but those have less money in 3 them than the student loans that he has debt on. 4 He has no current full-time employment, no means 5 of regular income. He does have an ownership 6 interest in RG3, which is a startup media company 7 that was discussed at trial. That company is not 8 operational. It's not earned any revenue, and 9 it's worthless. 10 He does, though, have his 5,900 shares of 11 Gawker Media Group, Inc., what we've called GMGI 12 throughout the proceedings. And although not in 13 those papers, I can represent to the Court that he 14 is willing to pledge all of those shares to the 15 Court as security pending the disposition of 16 appeal. Again, this is his most meaningful asset. 17 The second defendant that I will talk about 18 is Gawker Media. For Gawker Media, we submitted 19 two affidavits, one from Ms. Dietrick, which 20 attached a balance sheet, another from David Carr 21 who is a bond broker in Tampa. 22 What those affidavits show and what the 23 balance sheet shows is that Gawker has no ability 24 to post a meaningful bond at this time. 25 Ms. Dietrick's affidavit explains the current</p>
<p>Page 10</p> <p>1 the same as denying a stay. 2 If the plaintiff then attempted to execute 3 under those conditions, as I say, each of 4 defendant would face financial ruin, and, 5 effectively, the plaintiff, you would assume has 6 interest in collecting on the judgment, but it 7 would ensure there would be nothing for him to 8 collect on. 9 Here we believe that the security should be 10 reasonable under the circumstances, which is what 11 the law says. And those circumstances include the 12 constitutional considerations and discussion on 13 papers and the weighty and significant issues that 14 we've all discussed that will ultimately be 15 presented to the appeals court. 16 With our papers, we submitted detailed 17 affidavits about our current financial positions, 18 and those circumstances ought to be considered. 19 And that's where I would like to turn you to now. 20 Now, I will kind of go with them from, perhaps, 21 the simplest to the weightiest issues here. 22 First, Mr. Daulerio. His is the simplest 23 case. There is no dispute, I believe, from either 24 side that he has a negative net worth. He has no 25 home, he has no car, he has no material assets.</p>	<p>Page 12</p> <p>1 financial position of the company. It could 2 already be in a dire financial position, even 3 setting aside the judgment issue. As Ms. Dietrick 4 explains, there is cash flow issues within the 5 company even without a judgment. This has been 6 caused by expenses incurred in this and other 7 litigation. 8 Following the verdict that was entered here, 9 as Ms. Dietrick explained, the company has hired 10 professionals to evaluate its options in 11 anticipation of the judgment that you entered this 12 week. And the conclusion is it simply does not 13 have free cash flow to post a meaningful bond. It 14 certainly doesn't have anything material relative 15 to the amount of the judgment or the \$50,000,000 16 bond that would be required under the statute. It 17 has no real estate, it has no significant tangible 18 assets. 19 As the balance sheet from May 31st, which is 20 the last point that we have, pro forma financials, 21 the company's liabilities exceed its assets. At 22 that time it had two essential assets, \$5.3 23 million in cash on hand, and then \$11.9 million in 24 accounts receivable. 25 But it also had significant liabilities. The</p>

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1 three that are most meaningful for these purposes
2 are a term loan from a company called Columbus
3 Nova, that's \$15,000,000; a term loan from the
4 Silicon Valley Bank that's over \$6,000,000; and
5 then a letter of credit from Silicon Valley Bank
6 that's over \$5,000,000. Those loans and letters
7 of credit are secured by the company's cash and
8 receivables. In addition, there is a company on
9 one of the loans concerning the ratio of assets to
10 liabilities. And, again, this is explained in the
11 papers. Given that situation, they cannot pay the
12 material amount relative to the judgment as
13 security.

14 Once the verdict was rendered, Gawker asked
15 David Carr of Willis Towers Watson, which, again,
16 as explained in his affidavit, is one of the
17 world's largest bond brokers. They asked Mr. Carr
18 to explore where a company in Gawker's position
19 could secure an appeal bond. The short answer is
20 no.

21 As explained in Mr. Carr's affidavit, he
22 looked at the audited financials for GMGI. He
23 looked at the balance sheet for the company as of
24 the end of the first quarter of 2016, which is
25 right after the verdict was rendered, and

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1 estimated the company's book value, what its
2 equity was. He then went out to five different
3 bond companies and asked them, Would a company in
4 this financial situation with this book value,
5 could they get a supersedeas bond for \$50,000,000.
6 The answer was he could, but the companies would
7 need full collateral. They need either a letter
8 of credit or cash.

9 As Ms. Dietrick explains in her affidavit,
10 she checked with the company's bank and asked them
11 if they could get a letter of credit, and the
12 answer was yes, but only if you provide cash
13 collateral, which, as I have already explained,
14 they simply do not have. The bottom line is
15 Gawker Media cannot secure a bond, and it cannot
16 pledge cash in the amount that is material to the
17 \$140,000,000 judgment.

18 That brings me to the last defendant, Nick
19 Denton. Mr. Denton, like the others, has provided
20 a detailed financial affidavit. It explains what
21 his current financial situation is with each of
22 his accounts. He has a retirement account. He
23 has other accounts that, in total, have a little
24 over \$50,000, and that includes money that he
25 recently took out of his retirement account so

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1 that he could pay his living expenses.

2 He also has a condominium that's already
3 subject to a mortgage of 1.7 million, which, as he
4 explained in his affidavit, he's now seeking to
5 rent and is moving into a less expensive home.
6 He's going to use that rent money so that he's
7 able to support himself. That leaves his
8 principal asset, which is his ownership interest
9 in Gawker Media Group, Inc.

10 As explained in his affidavit and as we
11 talked about before in these proceedings recent,
12 he owns 45 million shares and options in the
13 company. That's roughly 30 percent of the
14 company, 29.2 percent, give or take. He is
15 willing to pledge all of his shares to the court
16 as security for any judgment following appeal.
17 He's willing to do that on behalf of himself,
18 Mr. Daulerio, and the company.

19 Now, Gawker Media Group, Inc., is a private
20 company, so we don't know, you know, the values of
21 the shares, but in the net worth phase of the
22 case, plaintiff's experts said for purposes of
23 punitive damages only, they estimated the value of
24 GMGI. And based on Mr. Denton's ownership
25 interest of the company, those shares, using

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1 plaintiff's expert's methodology, would be over
2 \$81,000,000. We disputed that valuation at the
3 time, but that's the value the plaintiff put on
4 the shares.

5 This is essentially all of Mr. Denton's net
6 worth. It's effectively all the plaintiff could
7 recover from the defendants if they were to
8 execute. We are willing to enter into an
9 instrument to pledge those shares to the Court as
10 security to ensure that we have a meaningful right
11 to appeal.

12 As I said at the outset, if no stay is
13 granted, the harm will be irreparable. It will
14 mean certain financial ruin for all three
15 defendants. It will affect -- it will impact not
16 only them but the company's current creditors. We
17 understand that plaintiff has an interest in
18 seeking security for his judgment. We have taken
19 time. We have employed other people to come up
20 with a solution to balance that interest, that
21 interest in security and judgment with the
22 interest in a right to appeal that means
23 something.

24 We've undertaken a serious analysis, and what
25 we are offering is a serious condition. We have

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1 pledged what, between the three defendants, is the
2 most meaningful asset they have. And, again, it's
3 effectively what the plaintiff could get if he
4 were to execute. The shares of stock, the
5 ownership interest in GMGI, this is a company that
6 Mr. Denton has built over the past 12 years. This
7 is all of his financial equity. This is all of
8 his sweat equity. We're willing to pledge it all.
9 All we ask is a simple opportunity to take our
10 case to the appeals court and have it decided
11 without my clients being thrown into financial
12 ruin.

13 We respectfully request, Your Honor, to give
14 us that fair and meaningful shot at an appeal.

15 THE COURT: So I have read through the
16 paperwork, the pleadings. The defendants and the
17 plaintiffs have very good and skillful lawyers.

18 The Court has had an opportunity to review
19 some financials during the punitive damage phase,
20 during the trial phase, and now. And I will say
21 that just from my review -- and I don't have a
22 team of folks in the back to do an analysis --
23 they seem to be significantly dwindling, the
24 value, the shares.

25 The defense have fought all along the way any

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1 discovery into value and assets. And at our last
2 hearing on May 25th, the defense again were
3 objecting to any kind of discovery.

4 So what I would like your comments on is if I
5 were to grant a stay under certain conditions,
6 what kind of discovery -- and you alluded to some
7 of it in your papers -- but what kind of discovery
8 would the defense agree to?

9 MR. BERRY: The short answer, I think, is
10 that you've already entered orders requiring us to
11 fill in those financial information sheets, which
12 provides extensive data and documentation.

13 THE COURT: The fact information sheet
14 attached to the financial judgment?

15 MR. BERRY: Correct. And that already
16 requires us to provide substantial information.
17 And a lot of that information, the plaintiff has
18 been given throughout discovery.

19 We would be willing to undertake whatever
20 discovery -- I mean, without -- it's hard to say
21 in a vacuum. But, I mean, at this point we have
22 to provide our financial data. They will have
23 every jot and tittle from Gawker Media, from A.J.
24 Daulerio, and Nick Denton within those financial
25 information sheets.

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1 Beyond that, I'm not sure what you're
2 contemplating. But we would certainly be willing
3 to discuss it. I can't deny that the assets are
4 dwindling. And we have made that clear to the
5 plaintiff repeatedly throughout the litigation.
6 And we don't need to get into the reasons for it,
7 but because of the litigation that's been filed
8 here and elsewhere against the company, they have
9 been forced to defend and not been able to get out
10 from under that. That's the financial picture. I
11 mean, it kind of is what it is at this point.

12 THE COURT: Okay. Well, I guess one of the
13 things that I didn't see in anybody's paperwork
14 were -- in reading through the rules and reading
15 through the different cases, I don't see guidance
16 to the Court as to the role of sympathy, you know,
17 emotional issues.

18 The pleadings show here it is what it is, but
19 we all have choices to make along the way. And
20 while both sides have very skilled and talented
21 lawyers, the parties themselves have made choices
22 along the way. And so I guess it is what choices
23 along the way -- should any of those choices come
24 into play at this point in the Court's
25 determination of what's fair?

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1 I mean, really, we start out the very
2 beginning aspect to play -- to edit and play the
3 video or not, to Mr. Houston's letter that says,
4 Just give it back to us and don't play it anymore
5 and walk away, and now, reportedly, both sides
6 have spent over \$10,000,000 of legal fees and both
7 sides being locked into the constitutional rights
8 that they have, which certainly they do have them.
9 And I am certainly cognizant of that. But I guess
10 they have come at a price to defend for both
11 sides.

12 So there have been lots of choices along the
13 way, and more than just this litigation, of
14 dwindling assets of the defendants, but -- okay.

15 MR. BERRY: I guess I would say a few things.

16 First, I guess in some respects we're not
17 asking for sympathy but we're asking you for what
18 the law does say, is just based on the conditions
19 and the circumstances. And the circumstances now
20 of where we are is exactly where we are.

21 And the framework -- and, again, I'm happy to
22 talk about it, particularly with respect to the
23 First Amendment and the independent appellate
24 right of review. And we've in our papers provided
25 precedent where these kind of weighty questions

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1 are presented. Most recently in the Snyder vs.
2 Phelps case, where the court there recognized
3 that, notwithstanding the verdict that these folks
4 could not pay, that there was important issues and
5 provided lower bond requirements so they could
6 make it to the next level of appeal, to the point
7 that, you know, somebody -- the church, the leader
8 of the church, bonded their property, which is
9 exactly what we're asking here. So that's point
10 one.

11 The second point is as far as the choices
12 along the way, Your Honor, we obviously dispute
13 some of the facts in the underlying motivations of
14 the lawsuit and would rather not dwell on those at
15 the moment. The simple fact of the matter is, as
16 a defendant, we did not have a choice about
17 whether to be drawn into court, nor what it would
18 take to resolve the case. We had to defend
19 ourselves.

20 As has been publicly reported some time ago,
21 the plaintiff made a choice to dismiss a claim
22 because he found out that it was tied to our
23 insurance coverage. We had no choice but pay out
24 of pocket for our defense. They knew that. That
25 was their choice. We had no choice but to

Page 22

1 continue to defend this litigation and other
2 litigation spawned by Mr. Thiel at the helm of --
3 at the head of Mr. Harder throughout the country.
4 I don't want to necessarily put the problems in
5 this courtroom, but that was not our choice.

6 THE COURT: I said both sides made choices.

7 MR. BERRY: Right. That was not our choice.
8 What we're asking for you to do today and what we
9 respectfully are asking this Court is that given
10 the circumstances that we face now, that all of us
11 face now, to consider those things, and to
12 enter -- to allow us a stay based on real
13 security, the only real tangible assets that we
14 have to offer so that we can get to the appeals
15 court and have it decide each of these issues from
16 Day 1, you know, starting back when this lawsuit
17 was first filed. There has obviously been strong
18 disagreements among the litigants and among the
19 judiciary.

20 THE COURT: I guess here is part of my
21 concern, though. Really, Mr. Denton had at one
22 point here -- and this is on the bottom of page 8
23 and footnote 4 of your motion. Mr. Denton had
24 42.6 percent of GMGI and now he's got 29 percent
25 of GMGI. So while he's willing to pledge those

Page 23

1 shares, I think there would need to be some
2 discovery that said what happened. He had a lot
3 of it and now he has minimal.

4 MR. BERRY: The plaintiff already has that
5 information, Your Honor.

6 THE COURT: Okay.

7 MR. BERRY: And they cited it to you in their
8 discovery motion last time. The upshot of it is
9 that the investment -- or the money, the loan that
10 came from Columbus Nova required him to give over
11 his shares. And, again, the reason that was done
12 was because the company was facing litigation
13 costs from this and other things, and they had no
14 choice. And, I mean, I can't -- without getting
15 into our settlement discussions and waiving
16 privilege, I can't discuss that with you.

17 THE COURT: Right.

18 MR. BERRY: But that's what happened to those
19 shares. This is what he has. He is saying as of
20 today, I am going all in; I'm putting all my chips
21 on the table. Short of that, I'm not sure what
22 else he could do.

23 THE COURT: Okay. Mr. Vogt, do you want to
24 respond?

25 MR. BERRY: Sorry. I would just say that --

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1 I'll make a representation to the Court. During
2 that time period, we were not getting -- prior to
3 that investment, my law firm was not getting paid.
4 The company -- this litigation and the
5 litigation -- I cannot emphasize enough --
6 throughout the country has pushed them to the
7 brink, and that's not a choice that Gawker made.

8 THE COURT: Thank you.

9 Mr. Vogt?

10 MR. VOGT: Thank you, Your Honor.

11 I guess I'll start with, The problem that
12 we're really facing today is that despite the
13 claim of impending financial ruin and the
14 importance of the issues that we're addressing
15 today, we got a 20-page motion with 11 exhibits
16 and four affidavits yesterday at one o'clock.

17 THE COURT: I got mine at 2:30.

18 MR. VOGT: Very, very important issues. And
19 that's how they were addressed. This verdict was
20 rendered over two months ago. We had a hearing on
21 the 25th where we discussed that this was coming
22 up. And nothing was done until yesterday at one
23 o'clock.

24 It makes this entire process much more
25 difficult. We're faced with self-serving

<p>Page 25</p> <p>1 affidavits about financial condition that we 2 haven't had any ability to test or verify. As 3 Your Honor correctly noted, one of the things we 4 did at the hearing on the 25th is -- there hadn't 5 been a bond motion filed yet -- was we asked for 6 financial discovery so that we could be prepared 7 for this, and they objected, you know, basically 8 tying our arms behind our back.</p> <p>9 We disagree factually and legally with 10 everything in the motion for stay, for the most 11 part. Most of the facts aren't relevant under 12 Florida law. The cases they cite aren't binding 13 precedent. And, in essence, what they're doing 14 today is what they have done throughout this 15 entire ordeal, which is they are refusing to 16 accept responsibility for their actions, and they 17 want special treatment.</p> <p>18 They want their own newsworthiness test to 19 apply. They want to file motions whenever they 20 want to file them, and they want to have the Court 21 ignore Florida law on bonds and follow other 22 jurisdictions, because they don't want to post 23 bond for a payout on a \$140,000,000 judgment.</p> <p>24 I think, because of the situation that we're 25 here and getting these files yesterday and these</p>	<p>Page 27</p> <p>1 conditions. And the conditions that we would 2 want, Your Honor -- obviously, there will be terms 3 and conditions associated with the stock itself, 4 certificates being endorsed, so all that's rightly 5 entitled vests in Mr. Bollea immediately upon the 6 dismissal of any appeal or the affirmance of any 7 final judgment. Those shares would be held in 8 trust by the lawyers for Mr. Bollea. We would 9 need verification that all necessary 10 authorizations and approvals to transfer those 11 shares, the options, as well as Mr. Daulerio's 12 shares have been done.</p> <p>13 We will want full compliance with paragraphs 14 6, 7, 8 of the final judgment, which are the fact 15 information sheets. We would also want the full 16 compliance with paragraph 5 of the final judgment, 17 as well as the permanent injunction. In addition 18 to that, we would like some very, very short time 19 frames on discovery so that we can hopefully, 20 depending on your calendar, have a very quick 21 turnaround and get back in here so we can have a 22 meaningful discussion --</p> <p>23 THE COURT: (Indicating). 24 MR. VOGT: I know, Your Honor -- about the 25 amount of the bond.</p>
<p>Page 26</p> <p>1 offers of stock, I think that the Platt case, the 2 Second DCA Platt case is pretty much on square 3 with what you have here. One of the things it 4 says, quite frankly, is that when you have a 5 defendant in dire financial straits, it sort of 6 militates against a stay. But, obviously, we 7 can't verify what's been said so far.</p> <p>8 So I think what we were planning to do, Your 9 Honor -- and we actually worked a lot on this 10 after we received the motion yesterday, is we had 11 a proposed for Gawker, which was a temporary stay 12 of execution. They do what they have already 13 promised to do today, which is they pledge 14 Mr. Denton's shares. They pledge his options. 15 They pledge Mr. Daulerio's shares. And in 16 addition to that, the Court imposes some extremely 17 strict conditions which it is authorized to do.</p> <p>18 We're in no way conceding what they're doing, 19 that the stock is in any way a sufficient security 20 for a bond at this point, but we don't have the 21 discovery that Platt says we are legally entitled 22 to at this point, because they have stalled and 23 refused.</p> <p>24 So give us the stock, give us the options, 25 pledge the security and, in addition, impose some</p>	<p>Page 28</p> <p>1 The schedule that we would propose is that we 2 would serve discovery in aid of execution on 3 Monday. They would have until the following 4 Monday to respond. They would then, the following 5 week, have a corporate representative of Gawker 6 Media, as well Mr. Denton and Mr. Daulerio and 7 Ms. Dietrick, as well Mr. Carr, who submitted 8 affidavits in support of the motion they filed, 9 available for depositions. We would also like to 10 be able to obtain letters rogatory and any related 11 orders so that we can obtain discovery in the 12 United Kingdom, Hungary, and in the Cayman 13 Islands.</p> <p>14 THE COURT: Could you give me what's the 15 status of the order that I already entered on 16 those letters rogatory?</p> <p>17 MR. VOGT: We got those documents, some of 18 them. We don't believe it's a complete 19 production. They were actually supposed to be 20 produced, I believe, on the final day of trial, 21 and they were withheld until after the trial 22 ended, until we finally got them. But we think 23 that those are incomplete. And we've got some 24 information in those that raise some new issues 25 about when this trust was set up, the name of the</p>

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1 company changing.

2 There is a loan involved. Apparently, a loan
3 against those shares is at issue that we were
4 unaware of before. So those are the types of
5 things that we would want to vet out to see if,
6 perhaps, that trust issue we were talking about
7 all along is, you know, what we think it is.
8 Cayman Islands, that's where Gawker Media, Inc.,
9 is based. Hungary, we want the tax returns from
10 Kinja and things of that nature. And then to the
11 extent that we need to conduct -- to issue
12 subpoenas duces tecum, depositions of nonparties,
13 we would want that as well.

14 We would also want a condition that they
15 won't dissipate any assets that may otherwise be
16 subject to execution, whether through sale,
17 removal, alienation, transfer, anything like that,
18 or dilute Mr. Denton's stock, his options, or
19 Mr. Daulerio's stock any further without coming
20 back to the Court for prior approval. Obviously,
21 ordinary living expenses and things of that nature
22 would not be an issue of that.

23 THE COURT: I don't know. He just
24 transferred -- what was it -- \$45,000 for his
25 ordinary living expenses out of his IRA, 45, 50,

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1 meaningful hearing on this.

2 THE COURT: How long do you think you would
3 want for all that before you would want to come
4 back? How long do you think all that would take?

5 MR. TURKEL: I'm sorry. Did you hear that
6 question?

7 MR. VOGT: Yes.

8 THE COURT: He has two ears.

9 MR. VOGT: Yeah. I would think 30 days, just
10 because that would enable us to get that discovery
11 done, put it together, come back in. The other
12 thing that we would like to do, Your Honor, is --
13 and this is, again, straight out of the Platt
14 case. We would like to be able to immediately
15 record and re-record the final judgment in any
16 jurisdiction in which we need to, domesticate the
17 final judgment in order to perfect our security
18 interests, get our priority as lienholders, and
19 file judgment of lien certificates and whatever
20 similar procedures may be necessary in New York,
21 and elsewhere, in order to get our position
22 secured as a creditor.

23 THE COURT: So you'd domesticate them; you're
24 just going to enforce the collection. Is that
25 what you're telling me?

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1 somewhere in that range.

2 MR. VOGT: And the two-million-dollar
3 mortgage that he took out on his condo was taken
4 out during the pendency of this case. So, yeah,
5 there is a number of issues like that that I
6 think, as they are crying poor, need to be vetted
7 out. And we can do that with expedited discovery.

8 And then, obviously, we would want them to
9 agree that there be no sale of all or
10 substantially all of the assets or the stock of
11 Gawker Media, Gawker Media Group, Inc., or Kinja
12 while these issues are pending.

13 There has been rumors and discussions of
14 potential sales of the company. We have this
15 investment or loan by Columbus Nova that took
16 place, rumors of Univision coming in and maybe
17 potentially buying assets or making an investment,
18 you know. We wouldn't any of that to occur while
19 this is going on until we can figure everything
20 out.

21 We think that that's a very reasonable
22 proposal under the circumstances. It's a lot in
23 line with what the defendants have already agreed
24 to do. And, you know, we just -- we just want
25 what we're entitled to in order to have a

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1 MR. VOGT: Correct.

2 MR. TURKEL: Is it proper if I can add two
3 sentences on that, Judge?

4 Given the condition of not dissipating or
5 alienating or transferring, the domestication ends
6 up just liening the asset, anyway. So if they are
7 going to agree not to move anything, the lien
8 won't really matter as long as we agree not to try
9 to foreclose on it, so -- if there were no
10 property, for instance.

11 THE COURT: Sort of like a lis pendens on
12 some real property, but there isn't any real
13 property other than --

14 MR. BERRY: Your Honor, in the exchange, I
15 missed the first part of what Mr. Vogt was saying
16 about domesticating the judgment.

17 THE COURT: I think that's where Mr. Turkel
18 came in.

19 MR. BERRY: Right. And this is where he was
20 proposing, I think, in 30 days we'd come back to
21 court. But then there's something I lost in the
22 transition of when he was domesticating the
23 judgment. I lost track of what it is time-wise.

24 THE COURT: We'll get to that, I'm sure.

25 MR. BERRY: Okay.

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1 THE COURT: So, Mr. Vogt, was Mr. Turkel
2 suggesting that the final judgment get recorded
3 and domesticated now or after the discovery?

4 MR. VOGT: Now. And, in fact, Platt says
5 that that should happen. Platt says at headnote
6 5, Without a full bond the trial court should not
7 grant a stay against a judgment holder from
8 establishing liens against real and personal
9 property or that prevents a judgment holder from
10 obtaining priority over subsequent creditors.

11 THE COURT: Thank you.

12 MR. VOGT: Thank you.

13 THE COURT: So, Mr. Berry, would you like an
14 opportunity to discuss this with your attorneys?
15 Why don't we take a break, or are you ready to
16 respond at this point?

17 MR. BERRY: No. Thank you, Your Honor.

18 THE COURT: Would you like to talk to them?

19 MR. BERRY: Yes. I need to discuss things
20 with our attorneys. There is a couple things that
21 I can respond to as a basic premise, but it may
22 make sense to address the whole ball of wax. I
23 tried to write as quickly as possible.

24 THE COURT: I was too.

25 MR. BERRY: But I may have missed some of the

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1 detail there, so it may be useful if they had
2 something in writing that we could have so that I
3 can make sure to understand exactly what it is
4 that's being suggested here.

5 THE COURT: I understand.

6 MR. TURKEL: Judge, we took -- we engaged in
7 the exercise yesterday of doing a proposed order
8 with this proffer in it. I mean, it was sort of,
9 from our perspective, getting the motion when we
10 got it and let's try and get this as a starting
11 point.

12 The only thing as a caveat -- and I will give
13 a copy of it to both the Court and Mr. Berry,
14 because I think, ultimately, if we go down this
15 path, it gives you a great starting point. It
16 embodies everything Mr. Vogt -- that was
17 essentially the list he was reading.

18 The only thing I would say is after hearing
19 their argument and sort of embracing the idea of
20 these affidavits coming in, we would like -- we
21 have a two-week discovery. We would like to
22 shorten the discovery span we proposed here by a
23 week. So, initially, we proposed it like two
24 weeks out, and we would like to do a week out.

25 I will just say this to the Court. If they

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1 went through the exercise -- and you can just use
2 this as sort of a frame of preference as you read
3 it. But if they've gone through the exercise of
4 assimilating all this financial information and to
5 do all of these affidavits to come here to argue
6 that they can't afford a bond, they should have
7 most of this ready. And in that respect, I don't
8 think trying to expedite it into a week is
9 unreasonable, because ostensibly they have got it
10 all already. Give it to us.

11 And in that respect, that portion of this
12 proposed order we would want to move the dates up
13 a week.

14 THE COURT: All right. So why don't we do
15 this. If you will share that proposed order with
16 Mr. Berry, and then we take a break, and you'll
17 let me know when you want to come back.

18 MR. BERRY: Yeah, that would be terrific.

19 I would just like to say one thing, because
20 there was the letter that was sent to you
21 yesterday about the timing of our motion, and it's
22 been repeated several times already here.

23 We could not file a motion to stay the
24 judgment until the judgment was entered, and none
25 of us when we left here last time knew when that

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1 was going to happen. When the judgment was
2 entered, as I told Mr. Vogt, I was in the hospital
3 with my son who was having a procedure that day.
4 And while we -- you know, some of this could be
5 lined up in advance, but we didn't know what the
6 judgment was going to say or the nature of the
7 injunctive relief that Your Honor was going to be
8 giving. We worked to get it done. We tried to
9 get it done as soon as possible.

10 THE COURT: I understand. We're all going on
11 limited sleep.

12 MR. BERRY: Right. And there was nothing
13 nefarious about it. I just wanted to make that
14 clear.

15 MR. TURKEL: The only other thing, Judge,
16 that Mr. Vogt just mentioned to me is Daulerio's
17 stock and Denton's option aren't in here. We'll
18 have to add that in also. We did the best we
19 could, but it's pretty exhaustive. And if it
20 pleases the Court, I would like to give you a copy
21 so you can have it to look through and then give
22 Mr. Berry a copy, and then we can talk and come
23 back in a few minutes.

24 THE COURT: Okay.

25 MR. BERRY: Your Honor, just so I understand,

<p>Page 37</p> <p>1 this hearing has to adjourn by 10:45, so I want --</p> <p>2 THE COURT: It doesn't have to. I'm just</p> <p>3 saying if it can, that would be helpful.</p> <p>4 MR. BERRY: Okay.</p> <p>5 THE COURT: I would like to go to that</p> <p>6 funeral.</p> <p>7 MR. BERRY: Yeah. I will do everything I</p> <p>8 can.</p> <p>9 THE COURT: I would really like to get this</p> <p>10 case done.</p> <p>11 MR. TURKEL: Yes, Judge.</p> <p>12 MR. BERRY: We have a lot to chew on here.</p> <p>13 THE COURT: And I don't want it to be our</p> <p>14 funeral that we're trying to go to.</p> <p>15 All right. Why don't we take a break and let</p> <p>16 me know when we're ready to come.</p> <p>17 MR. BERRY: Okay. We can go off the record.</p> <p>18 (A recess was taken at 9:47 a.m.)</p> <p>19 (Court called to order at 10:22 a.m.)</p> <p>20 THE COURT: Thank you. You-all can be</p> <p>21 seated.</p> <p>22 Mr. Berry?</p> <p>23 MR. BERRY: Yes, Your Honor.</p> <p>24 THE COURT: Would you like to respond to what</p> <p>25 the plaintiff's request is?</p>	<p>Page 39</p> <p>1 opportunity to consult with the other folks and be</p> <p>2 able to negotiate something out with plaintiff's</p> <p>3 counsel and see if there's things in here that we</p> <p>4 can agree to. There are some things in here that</p> <p>5 I know just as a matter of procedure with respect</p> <p>6 to the pledge is not the way that the stock --</p> <p>7 THE COURT: It's not just that I want to go</p> <p>8 to another funeral. This has been going on -- I</p> <p>9 mean, really, the verdict came in months ago. I</p> <p>10 have got -- I'm also in another trial that they've</p> <p>11 had to be put off because I'm here, which they had</p> <p>12 witnesses expecting to go this morning. So I know</p> <p>13 I gave you-all this time frame, but that's just</p> <p>14 how the Court's calendar works. I'm sorry.</p> <p>15 MR. BERRY: Your Honor, we just -- some of</p> <p>16 this was contemplated. The discovery we can talk</p> <p>17 about. The other things in here I just got, you</p> <p>18 know, 25 minutes ago, and it is incredibly</p> <p>19 complicated.</p> <p>20 THE COURT: But you-all were the ones that</p> <p>21 said you'd pledge your shares. Do you just think</p> <p>22 you can just pledge your shares and not have any</p> <p>23 accountability or responsibility?</p> <p>24 MR. BERRY: That's not what we're saying at</p> <p>25 all, Your Honor.</p>
<p>Page 38</p> <p>1 MR. BERRY: Yes, I would.</p> <p>2 Let me just premise with what I -- all my</p> <p>3 comments here. This is an incredibly complicated</p> <p>4 proposal. While in four pages, in just a little</p> <p>5 bit, what it asks for here is incredibly</p> <p>6 complicated. And I'm trying to coordinate between</p> <p>7 three different clients here to ensure that I</p> <p>8 have -- everybody has an opportunity. And I'm a</p> <p>9 First Amendment lawyer; I'm not a business</p> <p>10 attorney; I'm not a collections attorney. And I</p> <p>11 don't -- this is a little beyond my ken, and so --</p> <p>12 THE COURT: It just doesn't seem to be -- I</p> <p>13 mean, really, it doesn't seem to be unreasonable,</p> <p>14 so it's hard for me to understand that this wasn't</p> <p>15 contemplated. I mean, when discovery all along</p> <p>16 the way is objected to. So the choice is</p> <p>17 basically a bond of a 150 million. Your papers</p> <p>18 clearly say we can't do that, but we want to</p> <p>19 pledge our shares, which everybody can see are</p> <p>20 extremely dwindling. And so it seems -- it's</p> <p>21 surprising, I guess, that this wouldn't have been</p> <p>22 contemplated.</p> <p>23 MR. BERRY: There is a couple issues. What I</p> <p>24 guess -- and I know that you would like to go to a</p> <p>25 funeral. What I would like to ask for is an</p>	<p>Page 40</p> <p>1 THE COURT: Okay. Tell me.</p> <p>2 MR. BERRY: As Mr. Berlin said at the last</p> <p>3 hearing, as we said in the papers discussing that</p> <p>4 discovery, we understand that there needs to be</p> <p>5 discovery. Again, what we don't think ought to</p> <p>6 happen is that there is a blank check for the</p> <p>7 plaintiff to take any and all discovery of any of</p> <p>8 this stuff, you know, including outside</p> <p>9 jurisdictions without telling anybody what that</p> <p>10 is.</p> <p>11 THE COURT: But on the other hand, there was</p> <p>12 an issue of a special magistrate last October,</p> <p>13 November. There were issues -- certain issues</p> <p>14 going on. The defense decided, No, we won't have</p> <p>15 any more special magistrate for our discovery.</p> <p>16 Okay. I understand that you have the right to</p> <p>17 withdraw your agreement to that, but here we are</p> <p>18 now, and even in your pleadings you're saying more</p> <p>19 discovery. Well, there just isn't a lot of</p> <p>20 hearing time on the Court's calendar for me to be</p> <p>21 the discovery magistrate. So here is what I</p> <p>22 think -- well, you finish what you want to say.</p> <p>23 MR. BERRY: Well, I guess with respect to</p> <p>24 discovery, there are rules about how discovery</p> <p>25 should proceed with respect to the dissipation of</p>

<p>Page 41</p> <p>1 assets and concerning the requirement for a bond, 2 and we would ask for those rules to be applied. 3 With respect to the third-party discovery, there 4 are rules about how that has to go. 5 For example, Mr. Vogt was talking about the 6 discovery taken in the UK. They served almost 120 7 document requests on third parties. We don't 8 control -- I have no idea whether what was 9 produced was proper or not. That's well beyond 10 my -- it's not the client. 11 What I do understand and what I know for a 12 fact is that Mr. Denton transferred shares to his 13 minor niece and nephew in 2010, years before this 14 Hulk Hogan post became involved. There is not a 15 single piece of paper that suggested he's had 16 anything to do with it since. 17 With respect to the other provisions in here, 18 we just simply can't agree with the pledge. There 19 is things about the way that the stock operates in 20 the Cayman islands where this just isn't a correct 21 document. We are happy to pledge it, but we want 22 to make sure it's done properly. I can't sit here 23 today as a First Amendment lawyer and go through 24 the details of that. 25 With respect to these proposals, paragraphs E</p>	<p>Page 43</p> <p>1 Okay. Anything else that you want -- 2 MR. BERRY: The other point that I would make 3 is just under the law, the law in the Second DCA 4 is the Platt case that has been cited to you. And 5 under that, the law is clear -- the DCA couldn't 6 have been more clear -- that said the trial court 7 can grant the stay on conditions that vary from 8 those required for an automatic stay under the 9 rules. And it held that it could stay the 10 judgment on conditions that don't guarantee full 11 payment of the judgment. 12 It does talk about liens and taking that into 13 consideration. But what it didn't allow was -- 14 what it didn't say should happen is effectively 15 what this order does, which is to give the 16 prevailing party the opportunity to control the 17 business and control the lives while the stay was 18 in effect, which is the effect of what paragraphs 19 E and G do here. 20 THE COURT: Well, what did you have in mind 21 when you said that, on behalf of your client, that 22 you were willing to pledge your shares that I 23 guess I don't -- 24 MR. BERRY: We are willing to pledge our 25 shares.</p>
<p>Page 42</p> <p>1 and G of this we simply cannot agree to with 2 respect to the liens and the way that this 3 provision is worded on the dissipation of any 4 assets. 5 Effectively, what that does -- the way this 6 is worded is so vague that it gives the plaintiff 7 the opportunity to run the company, freezes all of 8 its assets and, one, Mr. Denton and Mr. Daulerio's 9 lives during the course of the stay. We simply 10 cannot agree to that. There may be something we 11 can agree to, but I can't decide that in 20 12 minutes on the fly having just seen this. This 13 was something that we contemplated, but I didn't 14 get this document until you did as well, Your 15 Honor. 16 I don't mean to be talking quickly, but I do 17 know that we need to get this resolved. But this 18 is just something we cannot consent to. 19 THE COURT: Okay. And I don't know that 20 anybody is asking you to consent to it. It's 21 always nice if there is agreement. But if there 22 isn't agreement, then the Court has authority to 23 just order it, and then we'll see what fallout 24 happens. And you-all certainly know the way to my 25 door.</p>	<p>Page 44</p> <p>1 THE COURT: And what does that contemplate, 2 then, if it doesn't contemplate what this proposed 3 order is going to? 4 MR. BERRY: What we would contemplate is -- 5 again, the specific verbiage in here, I don't 6 think, is correct as a matter of law. What we had 7 contemplated was putting together two documents, 8 one for Mr. Denton, one for Mr. Daulerio, that 9 pledged the shares -- our preference would be to 10 the Court to hold in escrow -- should the judgment 11 ultimately be entered following the appeals, that 12 would then be tendered to Mr. Bollea should he 13 hold onto the judgment you entered. 14 THE COURT: But you if you don't have 15 conditions that go to that pledge, what 16 prevents -- what assurances are there, other than 17 a pledge, which by itself is sort of meaningless, 18 what assurances are there that the pledged 19 amount -- I mean, even in your comments earlier 20 you said about the give and take. The give and 21 take, the giving of loans, the taking of the 22 assets, that's been going on now at least for the 23 last year. 24 So other than the words "pledge" -- and the 25 Court doesn't want to hold on to any more than the</p>

<p>Page 45</p> <p>1 Court has already been holding on to. I don't 2 know what "pledge" means unless you put words to 3 it that have enforcement. 4 MR. BERRY: Right. We want a legally binding 5 document that says that these shares are for 6 Mr. Bollea's benefit. He can take those shares if 7 he ultimately holds on to this judgment, but we 8 should have the opportunity to run the appellate 9 gauntlet first. And that's a legally enforceable 10 document. 11 They have asked, I think -- although, again, 12 some of the nuances of this escapes me -- they 13 have asked for that pledge to be made directly to 14 him. Our preference would be to do it with the 15 Court like you would with a bond. If it has to be 16 his lawyers for the benefit of him -- I'll have to 17 speak to corporate counsel -- but that may well 18 work out. 19 THE COURT: I see what you're saying. 20 MR. BERRY: But the technical way that this 21 is set up I know is incorrect, but that's what we 22 would be giving him. 23 As far as the conditions, there would be 24 discovery just as there would be in any case to 25 ensure that there is not dissipation of assets by</p>	<p>Page 47</p> <p>1 affidavit information yesterday is something I 2 don't know that I can speak to. 3 But I will say this: They have been 4 contending one way or another that they weren't 5 going to have money to bond this offer, sufficient 6 money. And there is nothing complicated about the 7 pledge, Judge. Indeed, the form of a civil 8 supersedeas bond under the Florida Rules of Civil 9 Procedure, the approved forms the Supreme Court 10 has approved, has the plaintiff pledging -- the 11 defendant pledging to the plaintiff as principal 12 the sum of X, which they are to bond off. 13 In paragraph B on page 2 of the proposed 14 order, we are echoing what they have said. It's 15 unencumbered and that they're going to pledge it. 16 Now, how that normally works, how I have done it 17 in the past is they endorse it in blank, and we 18 hold it until such time as the security is no 19 longer needed. 20 MR. BERRY: Your Honor, I apologize for 21 interrupting. One of the issues -- again, this is 22 well beyond my knowledge. But in the Cayman 23 Islands where GMGI is incorporated, there are not 24 shares of certificates. These are the kind of 25 nuances that I'm talking about here.</p>
<p>Page 46</p> <p>1 Mr. Denton and Mr. Daulerio. That's what we're -- 2 that's what we're contemplating. 3 What they have done is said we're going to 4 take the judgment, go ahead and put liens on 5 everything, that we then control every expenditure 6 of the company and these two people and determine 7 whether it's in the ordinary course of business. 8 It doesn't even say ordinary course -- it doesn't 9 even say under the ordinary course of personal 10 life. 11 I mean, are they going to start dictating, 12 you know, when Mr. Denton went to McDonald's, he 13 should have gone to Burger King because they were 14 running a special? You know, the company is 15 paying X employee this; they're dissipating the 16 assets because they should be paying them 20 cents 17 a dollar, you know, an hour less. That kind of 18 controls what I'm concerned about. 19 THE COURT: Okay. Thank you, Mr. Berry. 20 Mr. Turkel? 21 MR. TURKEL: Yes, Judge. 22 Judge, we tried the case back in March. 23 There has been substantial time since our last 24 hearing, you know. I don't -- whether they needed 25 to see the final judgment to submit this financial</p>	<p>Page 48</p> <p>1 MR. TURKEL: Judge, I don't -- I don't know 2 how to handle this constant refrain that Mr. Berry 3 is not prepared to deal with these issues because 4 he's a First Amendment lawyer. We all knew what 5 the issues were going to be today. We knew that 6 they weren't going to be about the First 7 Amendment. 8 The issues were going to be about a bond 9 requirement or, as they proffered, a pledge of 10 stock, which the feeling I'm getting at this point 11 is by calling their bluff and saying we'll take 12 it, they're looking for ways at this point not to 13 pledge the stock. 14 That being said, Judge, if you look at Platt 15 in the Second District, I just want to read from 16 the opinion in the last paragraph, in which the 17 court said it's not necessary for this court to 18 determine at this time what procedures a trial 19 court should use to determine adequate conditions 20 for a stay. But it would be reasonable to require 21 the judgment debtor to submit to a deposition in 22 aid of execution and a production of financial 23 errors before the entry of such a stay. It would 24 also seem prudent to permit the judgment creditor 25 to update the information every few months by</p>

<p>Page 49</p> <p>1 additional discovery during the pendency of the 2 appeal. 3 So they submit 24 hours, or less than 24 4 hours, before hearing their evidence in the form 5 of affidavits. And we imposed, in this proposed 6 order, a condition. And that condition is that we 7 be able to take expedited discovery to test those 8 affidavits so that the Court can determine in 9 accordance with Platt whether those conditions are 10 reasonable or not. We're doing exactly what the 11 Second has told us to do, or at least what the 12 Second has said would be reasonable. 13 Call me a cynic, Your Honor, but I don't 14 accept self-serving affidavits which I haven't had 15 a chance to test. And so when you cut the wheat 16 from the chaff, all we have proposed here is what 17 they offered, which was a pledge of the stock as a 18 temporary gap fill while the Court determines, A, 19 whether the financial representations are credible 20 enough for you not to impose upon and, B, to allow 21 us to actually test those as we're afforded the 22 right under Platt. 23 This is a temporary stay, Judge and a gap 24 fill until we get there, because given less than 25 24 hours to test their evidence -- which they're</p>	<p>Page 51</p> <p>1 issue than how this stock pledge happens. 2 The other thing -- and Mr. Turkel did not 3 speak to this -- but this issue with the lien and 4 this provision and the way it's drafted on the 5 dissipation of assets and that we are required to 6 meet legal and business expenses and the cost of 7 legal representation is so vague that it, again, 8 puts the plaintiff into control of the business 9 and these two gentlemen's lives. We don't 10 disagree that there is -- under Platt it's 11 reasonable to have discovery about the dissipation 12 of the assets. That's not the issue. It's these 13 other provisions that Mr. Turkel has spoken to. 14 THE COURT: Okay. All right. 15 MR. TURKEL: I just want to read one cite 16 into the record, Judge, something -- I'm sorry, 17 but I just think it's important vis-à-vis the 18 timeliness, 152 So.3d 657, Charter Schools vs. 19 John Doe, which is the 2014, Third DCA case. 20 These are issues, Judge, that were supposed 21 to be handled by them at the time post-trial 22 motions were denied. Or as stated by the Court, 23 As one source advises, a party who intends to stay 24 a judgment by posting a bond should arrange to 25 have a bond in place at the time the trial courts</p>
<p>Page 50</p> <p>1 required to submit and it's their burden to prove, 2 we don't have enough time to determine whether 3 what they're saying is true. So we want the 4 stock. 5 THE COURT: Okay. 6 MR. TURKEL: That's all I really have, unless 7 you have any questions, Your Honor. 8 THE COURT: Thank you. 9 Mr. Berry? 10 MR. BERRY: Your Honor, just a couple more 11 points. 12 We can pledge the stock. The details of how 13 this is done in -- we're just getting there. By 14 5:00 p.m. June 14th, no issue for us. We can do 15 it, but I would like to make sure that we do it in 16 a way that is proper in accordance with the law as 17 to where the stock is actually held. That is my 18 simple point. The time frame, this is not 19 something that we're concerned about. 20 THE COURT: But probably had some of that 21 discovery taken place at least even during the 22 punitive phase of discovery, then perhaps 23 everybody would have had that answer by now, so 24 here -- 25 MR. BERRY: No. The discovery is a separate</p>	<p>Page 52</p> <p>1 rules on the motions. 2 But my concern is this, Judge: What are we 3 going to do now, set this off again -- 4 THE COURT: No. 5 MR. TURKEL: -- and go through this again? 6 THE COURT: Thank you. 7 So the Court is going to grant the 8 defendant's motion to stay execution of the 9 judgment pending appeal with the conditions that 10 have been outlined. The Court will accept the 11 pledging of the -- of GMGI's stock shares under 12 the same conditions that are in this proposed 13 order. And an additional part, though, is to 14 include Mr. Daulerio, his shares, as well 15 Mr. Denton's shares. The Court finds this to be a 16 reasonable accomodation for the stay of the 17 conditions of the stay at this point in time so 18 discovery can be had. 19 I appreciate the fact, Mr. Berry, that you 20 may need some additional information. I think 21 this proposed order at least gives deadlines to 22 those. If there is some issue along the way, 23 perhaps you can discuss those with plaintiff's 24 counsel and see if those issues can be worked out. 25 If they can't be worked out, then we'll just see</p>

<p>Page 53</p> <p>1 what kind of motions are filed, and then we'll go 2 from there.</p> <p>3 But the time to move on with this case is 4 here. It's past. It's already past. And I 5 appreciate the fact -- and I don't like putting 6 you into a bind. I find you to be a very 7 excellent lawyer, but we need to move on.</p> <p>8 So let me propose some times so that we can 9 maybe modify the Florida specifically retaining 10 jurisdiction to modify this order. Let me propose 11 some times under everybody's schedule -- so you 12 can get your calendars out -- to perhaps work out 13 whatever modifications we need to if you-all can't 14 modify it yourself.</p> <p>15 Would July 6th in the morning work for 16 anybody, or is that too soon?</p> <p>17 MR. TURKEL: I'm available. It's not too 18 soon for us, Judge.</p> <p>19 THE COURT: And, Mr. Vogt, you can send me a 20 revised order adding Mr. Daulerio in there, and 21 then I will execute that order.</p> <p>22 MR. VOGT: Yes, Your Honor.</p> <p>23 THE COURT: July 6th?</p> <p>24 MR. BERRY: Yes, Your Honor, I can be 25 available or I'm sure we can --</p>	<p>Page 55</p> <p>1 not the pledging of shares; it's these conditions. 2 THE COURT: I understand.</p> <p>3 MR. BERRY: I just ask on behalf of the DCA 4 to provide them the courtesy that we are going to 5 be moving for a stay for them and would like time 6 for the judges there to be able to rule on a 7 request for a stay.</p> <p>8 THE COURT: Okay. Denied. I have denied the 9 request.</p> <p>10 MR. BERRY: Thank you, Your Honor.</p> <p>11 THE COURT: So I will get the order, the 12 proposed order, adding Mr. Daulerio to the same 13 issues as Mr. Denton, and we're going from there.</p> <p>14 And then this July 6th, nine o'clock, that 15 will be for the morning, a half day, so if we need 16 to resolve any of these issues that you and 17 Mr. Turkel can't seem to resolve on your own. 18 Anything else?</p> <p>19 Oh, let me give you a ruling, please, on the 20 Mayer Brown report. Was there something else on 21 the motion to stay that we need to resolve?</p> <p>22 MR. TURKEL: No, Judge. We added the word 23 "temporary" in the preamble, just to make that 24 clear. When we submit the proposal and certain 25 developments from the hearing, we're going to add</p>
<p>Page 54</p> <p>1 THE COURT: Okay. So July 6th, nine o'clock, 2 and that will just be in the morning.</p> <p>3 MR. BERRY: Your Honor, is the idea that this 4 stay is in effect now until the order is signed?</p> <p>5 THE COURT: I'm signing the order today.</p> <p>6 MR. BERRY: Okay. Well, then what I'd like 7 to do, Your Honor, is request a temporary stay to 8 allow us to seek review of that order from the 9 DCA. We would ask for a temporary stay for a week 10 so that we can file a motion with the DCA by 11 Monday morning -- by Monday, and provide plaintiff 12 time to respond. We will ask for this order to be 13 stayed from -- for seven days from the entry of 14 it.</p> <p>15 THE COURT: That will be denied.</p> <p>16 MR. BERRY: Can we ask for until 5:00 p.m. on 17 Monday?</p> <p>18 THE COURT: No. Denied.</p> <p>19 MR. BERRY: To the end of the day today?</p> <p>20 THE COURT: No.</p> <p>21 MR. BERRY: Two hours?</p> <p>22 THE COURT: I mean, really, we're way beyond 23 all that. And in your pleadings you've offered to 24 pledge your shares, so we're there.</p> <p>25 MR. BERRY: Your Honor, again, the concern is</p>	<p>Page 56</p> <p>1 some stylistic stuff, but that was it. I didn't 2 want the Court to not know what we were going to 3 do. Thank you.</p> <p>4 THE COURT: So the Court at the last hearing, 5 there was an issue regarding the Mayer Brown 6 report. The Court has had an opportunity for an 7 in-camera review of the Mayer Brown economic 8 analysis of royalty payments between Gawker Media, 9 LLC, and Blogwire Hungary, KFT, that is dated 10 December 12th, 2011. The Court finds that while 11 there are certain facts that are contained in 12 the -- especially in the beginning of the report 13 that the reviewers used in their analysis, those 14 facts would be considered to be trade secrets.</p> <p>15 I recognize, especially in preparing for 16 today, some of those facts that may be trade 17 secrets may already be public record, but I don't 18 have the ability to go and figure out what's 19 public record and what's not public record. But 20 the Court would find them to be trade secrets. 21 But, generally, the report overall would be 22 privileged attorney-client information.</p> <p>23 Mr. Safier, if you would prepare the order to 24 that, and I'm returning this original -- or it's 25 not an original, but the Mayer Brown report that I</p>

<p>Page 57</p> <p>1 reviewed, and I'll give it right back to you. 2 MR. SAFIER: Thank you very much, Your Honor. 3 THE COURT: Thank you. 4 As a part of that, if you would please, hold 5 on to that. You know what, Here. If you'd hand 6 it back to me, let me put my initials on each page 7 so that it's clear as to what I have reviewed. 8 And if you would please hold on to this until any 9 other review of this may come down as well -- 10 MR. SAFIER: I will do so, Your Honor. 11 THE COURT: -- just so it's clear what I have 12 reviewed. 13 Any questions for anybody? 14 MR. TURKEL: None from the plaintiff, Judge. 15 THE COURT: Great. Thank you. 16 Anything else that I need to rule on? 17 MR. VOGT: I think just the two motions to 18 determine confidentiality. 19 THE COURT: Anybody want to argue those? It 20 seems that, really, the confidentiality aspect of 21 it is from the defendants. 22 Who is arguing that for the defendants? 23 MR. BERRY: I can take it, Your Honor. 24 THE COURT: It seems like the defense wants 25 that to remain confidential, not the plaintiffs.</p>	<p>Page 59</p> <p>1 confidential. 2 THE COURT: So it's just the attachments? 3 MR. BERRY: I don't have the motion in front 4 of me, but there is a series of documents that 5 they were provided in response to a UK subpoena. 6 THE COURT: Since I need to be very specific, 7 could you maybe get the motion and look at the 8 attachments -- 9 MR. VOGT: I got it now, Your Honor. 10 THE COURT: -- and then we can make sure -- 11 maybe Mr. Vogt could share his copy with you. 12 MR. VOGT: I guess, Your Honor, if you would 13 like -- unless they object to those things being 14 confidential -- I think we can submit a form order 15 on that. 16 THE COURT: With specificity. 17 MR. VOGT: Yes. We'll identify each of the 18 specific exhibits, You're Honor. 19 MR. BERRY: The only documents that we are 20 concerned about, as I said, are the things that 21 were produced by the UK, the people in the UK 22 under the confidentiality agreements, and any 23 information from those documents that wind up in 24 the motion. And then if they don't object, then 25 we can agree to that.</p>
<p>Page 58</p> <p>1 MR. BERRY: There was confidential 2 information in there. With respect to the Mayer 3 Brown transfer of pricing study motion, the only 4 thing that I think we would ask to be confidential 5 is what you reviewed in camera, which is now 6 confidential regardless. 7 With respect to the other motion -- 8 THE COURT: It was never filed 9 electronically, so I don't think it's an issue. 10 MR. BERRY: Correct. So I'm not sure what 11 else -- 12 THE COURT: The motion itself would not be 13 determined to be confidential. 14 MR. BERRY: Correct. We don't object to 15 that. 16 With respect to the other motion, we have no 17 problem with the information becoming public with 18 one exception, the attached documents connected 19 with what they had received from the folks in the 20 UK. And it's my understanding that there was 21 representations made in the UK court that those 22 individuals could designate those documents as 23 confidential, you know. I don't represent them, 24 so I don't know what the situation is, but I think 25 that those documents should continue to be</p>	<p>Page 60</p> <p>1 MR. VOGT: We'll do that, Your Honor. 2 THE COURT: Thank you. 3 Anything else for the hearing today? 4 MR. TURKEL: Nothing from the plaintiff, Your 5 Honor. 6 MR. SAFIER: Can I have one moment, Your 7 Honor? 8 MR. BERRY: Can we confer with the 9 plaintiffs? 10 THE COURT: Yes. 11 (A pause was had in the proceedings.) 12 THE COURT: Is there anything else? 13 MR. SAFIER: We're good. 14 MR. BERRY: Your Honor, we have a prepared 15 order on the denial of the temporary -- the 16 request for a temporary stay subject to appellate 17 review. 18 THE COURT: This is for Mr. Safier. You 19 already have an order prepared on that? 20 MR. BERRY: Yes, we do. 21 THE COURT: Is it handwritten? 22 MR. BERRY: No, Your Honor. I mean, it just 23 says -- 24 THE COURT: How can I give you an order on 25 that when I haven't entered the other order yet?</p>

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1 MR. BERRY: Excellent question.
 2 THE COURT: Yeah, I don't think -- because
 3 I'm granting your motion under the conditions.
 4 MR. SAFIER: Right. Could we draft it
 5 quickly?
 6 MR. BERRY: Yeah. Can we get --
 7 THE COURT: Draft whatever you want. I'm
 8 getting ready to go into another trial. It's very
 9 important to those people too.
 10 MR. SAFIER: Understood, Your Honor.
 11 THE COURT: I will be in trial all afternoon.
 12 MR. SAFIER: So Mr. Vogt will be submitting a
 13 revised version of the order that you're planning
 14 to enter. We will submit --
 15 THE COURT: You're going to add Mr. Daulerio?
 16 MR. SAFIER: Yes. And we will submit an
 17 order that denies our motion for a temporary stay
 18 so we can get --
 19 THE COURT: Okay.
 20 MR. SAFIER: Thank you.
 21 THE COURT: Thank you very much.
 22 (Hearing concluded at 10:55 a.m.)
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1 REPORTER'S CERTIFICATE
 2
 3
 4 STATE OF FLORIDA
 5 COUNTY OF HILLSBOROUGH
 6
 7 I, Aaron T. Perkins, Registered Professional
 8 Reporter, certify that I was authorized to and did
 9 stenographically report the above hearing and that
 10 the transcript is a true and complete record of my
 11 stenographic notes.
 12
 13 I further certify that I am not a relative,
 14 employee, attorney, or counsel of any of the
 15 parties, nor am I a relative or employee of any of
 16 the parties' attorney or counsel connected with
 17 the action, nor am I financially interested in the
 18 action.
 19
 20 Dated this 10th day of June, 2016.
 21
 22
 23
 24
 25

Aaron T. Perkins, RPR