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**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

Liberty Media Holdings, LLC, a California Corporation)
Plaintiff,)
vs.)
FF Magnat Limited d/b/a Oron.com; Maxim Bochenko a/k/a Roman Romanov; and John Does 1-500,)
Defendants.)

Case No.: 2:12-cv-01057

**DECLARATION OF ADAM SILVERMAN
IN OPPOSITION TO DEFENDANTS’
EMERGENCY MOTION FOR
DISBURSEMENT OF FUNDS**

**DECLARATION OF ADAM SILVERMAN IN OPPOSITION TO DEFENDANTS’
EMERGENCY MOTION FOR DISBURSEMENT OF FUNDS**

I, Adam Silverman, being over 18 years of age, having personal knowledge of the matters set forth herein, and being competent to testify about them if called to do so at trial, state as follows:

1. I am a member of SSC Group LLC (“SSC”), a California limited-liability company that produces and distributes visual and audiovisual adult entertainment over the Internet under numerous recognizable brands – many of which are registered or pending registration with the U.S.

1 Patent and Trademark Office. I have been involved in adult entertainment for 10 years, 7 of which
2 have been with SSC.

3 2. SSC operates a network of websites that serve adult content to paying subscribers
4 who are over the age of 18 and pay a monthly subscription fee. In return, SSC provides its
5 members with access to secure areas on its websites, where subscribers may access images and
6 videos depicting erotic content.

7 3. In the course of managing SSC's business operations, I have searched for, evaluated
8 and contracted with various companies that provide web hosting services.

9 4. Given the nature of SSC's business, an important criterion in analyzing the
10 suitability of a web hosting company is the cost of its bandwidth and speed in transmitting large
11 amounts of data – a critical component in streaming video content to users.

12 5. As SSC's business relies on distributing video content to paying subscribers on
13 demand, the cost of bandwidth – the transmission of data from servers to the end user – and its
14 availability is central to the business' success and customer satisfaction.

15 6. As I am primarily responsible for securing these hosting contracts for SSC and
16 evaluate the monthly invoices SSC receives from its host, I am familiar with the costs of bandwidth
17 and market for web hosting services generally.

18 7. I strongly suspect that FF Magnat Limited, d/b/a Oron.com ("Oron") are misstating
19 the actual amount of funds they need to pay their monthly webhosting invoice.

20 8. Without knowing how much bandwidth Oron is using on a monthly basis, it is
21 impossible to say whether it is paying a reasonable amount for its bandwidth consumption.

22 9. While some hosting companies differ in terms of the service and features they offer
23 to customers, there is a general range of what bandwidth costs, measured on a per-gigabyte basis.
24 The bigger the site is, the cheaper the pricing due to economies of scale.

25 10. Since Oron has not provided any information about its bandwidth usage, yet claims
26 to need more than \$277,000 for hosting expenses by July 9, 2012, it appears likely that it is paying
27 an unreasonably high amount of money for its bandwidth, and would realize a dramatic cost
28

1 savings by using almost any other hosting company, or they are not being forthcoming regarding
2 what their true monthly webhosting expense is.

3 11. In my experience, in special circumstances like this case, webhosting companies
4 will extend special payment terms to the delinquent client because they simply do not want to lose
5 the long-term business. The reason for this is because a typical webhosting company like
6 Leaseweb commits to a fixed amount of bandwidth usage and server space with their providers on
7 a year to year or multi-yearly basis. They are committed to the amount regardless of whether they
8 resell that bandwidth and space to a client like Oron. In simpler terms, the marginal cost of keeping
9 Oron going is minimal, versus shutting them down and putting their long term monthly payment at
10 risk. It is also common industry practice for a webhosting provider like Leaseweb to commit to a
11 bandwidth deliverability amount well above what is actually used by all clients they work with, in
12 order to ensure redundancy and uptime for all clients at all times. For example, if one provider of
13 bandwidth goes down, there is an immediate back up, for all clients.

14
15 I declare under penalty of perjury that the foregoing is true and correct to the best of my
16 knowledge.

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18 Dated: June 28, 2012
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Adam Silverman
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