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FILED  
LOS ANGELES SUPERIOR COURT  
JUL 17 2003  
JOHN R. CLAYTON, CLERK  
BY M. BUTCHER, DEPUTY

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 FOR THE COUNTY OF LOS ANGELES

12 ALEXANDER BURTON; MARK RYAN;  
13 and MICHAEL E., a minor, by and through  
14 his Guardian ad Litem, BONNIE MOUND,,

15 Plaintiffs,

16 vs.

17 MARC COLLINS-RECTOR; CHAD  
18 SHACKLEY; BROCK PIERCE; DIGITAL  
19 ENTERTAINMENT NETWORK, INC.;  
20 DOES 1 through 100, inclusive; ABC  
21 CORPORATIONS 1 through 100, inclusive,

22 Defendants.

23 CASE NO. LC053103.

24 DEFENDANT BROCK PIERCE'S  
25 SUPPLEMENTAL DECLARATION IN  
26 SUPPORT OF MOTION TO SET ASIDE  
27 DEFAULT JUDGMENT PURSUANT TO  
28 C.C.P. SECTION 473.5

Date: July 17, 2003  
Time: 8:30 am  
Dept: H T

Action Filed: July 20, 2000  
Trial Date: None Set

1 Defendant Brock Pierce (hereinafter "Defendant" or "Pierce") hereby files and serves this  
2 Supplemental Declaration in further support of his Motion to Set Aside Default Judgment of  
3 Plaintiffs Alexander Burton, Mark Ryan and Michael Egan, by and through his guardian ad litem  
4 Bonnie Mound (hereinafter collectively "Plaintiffs"), as follows:

5 **SUPPLEMENTAL DECLARATION OF BROCK PIERCE**

6 I, Brock Pierce, declare and state as follows:

7 1. I have personal knowledge of the matters stated herein, and could and would  
8 competently testify to the same if called as a witness in this action.

9 2. I am a former officer and director of Digital Entertainment Network ("DEN"), a  
10 company that provided entertainment programming (e.g., "situation comedies" and other  
11 programming similar to television shows) over the internet. Marc Collins-Rector ("Collins-Rector")  
12 and Chad Shackley ("Shackley") are also former officers and/or directors of DEN.

13 3. In or about July 1999, Plaintiff Alexander Burton ("Burton"), who was a childhood  
14 friend of mine from Minnesota, came to visit me in the Los Angeles area. At that time, I was living  
15 at the home of Collins-Rector and Shackley as their guest. Burton quickly initiated a romantic  
16 relationship with Shackley which, to the best of my knowledge and information, continued as a  
17 consensual romantic relationship at least until early Spring 2000. As a result of Burton's relationship  
18 with Shackley, Burton became an employee of DEN; Burton lived as a guest at the home of Collins-  
19 Rector and Shackley; and Burton accompanied Collins-Rector, Shackley and myself on virtually all  
20 of our domestic and international travels between July 1999 and early Spring 2000.

21 4. In late 1999, DEN began to experience business difficulties. Most significant, DEN  
22 and Collins-Rector (then, the Chairman of the Board of Directors of DEN) were named as defendants  
23 in a civil lawsuit in New Jersey (the "New Jersey Lawsuit") which had been filed in or about May  
24 1999. By late 1999, the New Jersey Lawsuit appeared likely to cause significant detriment to DEN. I  
25 was not a defendant in the New Jersey Lawsuit nor involved in that litigation in any way.

26 5. The New Jersey Lawsuit resulted in a confidential settlement agreement.  
27 Inexplicably, the details of the confidential settlement agreement in the New Jersey Lawsuit, and  
28 various other pieces of confidential information concerning DEN and Collins-Rector were "leaked"

1 to the press and public in late 1999. Burton was one of the very few individuals who possessed that  
2 "leaked" information.

3 6. On or about October 25, 1999, Collins-Rector, Shackley and I resigned as officers  
4 and/or directors of DEN. Shortly thereafter, Collins-Rector, Shackley and I left the country to avoid  
5 the adverse publicity generated by the New Jersey Lawsuit and DEN's business problems and to  
6 pursue new business opportunities in the internet sector in Europe. Burton accompanied us on those  
7 travels, as a guest of Shackley. I am no longer in possession of the passport I used for those travels,  
8 because that passport expired and I surrendered it when I received my new passport.

9 7. On or about November 1, 1999 through November 13, 1999, I was on the island of St.  
10 Martin with Collins-Rector, Shackley and Burton. At no time during this period did Burton state or  
11 otherwise indicate that he believed that he had been sexually abused by Collins-Rector, Shackley, or  
12 me, nor that he had any intention of filing any lawsuit whatsoever against me, Collins-Rector or  
13 Shackley. At no time did Burton state that he was being mistreated in any way and, to the best of my  
14 knowledge and information, Burton's consensual romantic relationship with Shackley continued  
15 during this period of time.

16 8. On or about November 16, 1999, Burton, Collins-Rector, Shackley and I visited  
17 Barbados to obtain a new passport for Burton. At no time during this visit to Barbados did Burton  
18 state or otherwise indicate that he believed that he had been sexually abused by Collins-Rector,  
19 Shackley, or me, nor that he had any intention of filing any lawsuit whatsoever against me, Collins-  
20 Rector or Shackley. At no time did Burton state that he was being mistreated in any way and, to the  
21 best of my knowledge and information, Burton's consensual romantic relationship with Shackley  
22 continued during this period of time.

23 9. On or about November 17, 1999, I traveled to France with Burton, Collins-Rector and  
24 Shackley. We remained in France until December 26, 1999. At no time during this period did  
25 Burton state or otherwise indicate that he believed that he had been sexually abused by Collins-  
26 Rector, Shackley, or me. Burton did, however, at that time while we were in France, indicate to me  
27 for the first time that he was considering a plan to extort money from Collins-Rector and/or DEN. He  
28 solicited my interest in participating in his planned extortion. I advised Burton that I had no interest

1 in participating in such an extortion scheme, and I strongly discouraged him from pursuing it.  
2 Thereafter, he never again mentioned the extortion plan to me. At no time during this period did  
3 Burton state that he was being mistreated by Collins-Rector, Shackley, or me, in any way, and to the  
4 best of my knowledge and information, Burton's consensual romantic relationship with Shackley  
5 continued during this period of time.

6 10. In late 1999, Collins-Rector, Shackley and I began to suspect that someone was  
7 "leaking" private information concerning us and confidential business information concerning DEN  
8 to DEN's competitors and the public. We hired private investigators to determine the source of such  
9 "leaks."

10 11. On or about December 26, 1999, Burton, Collins-Rector, Shackley and I traveled back  
11 to Los Angeles, California, where we remained for a brief visit. At no time during this period did  
12 Burton state or otherwise indicate that he believed that he had been sexually abused by Collins-  
13 Rector, Shackley, or me; nor did he make any further mention of his apparent plan to extort money  
14 from Collins-Rector or DEN; nor did he state that he was being mistreated by us in any way. To the  
15 best of my knowledge and information, Burton's consensual romantic relationship with Shackley  
16 continued during this period of time.

17 12. On or about January 9, 2000, Burton, Collins-Rector, Shackley and I traveled back to  
18 France, where we remained for some weeks. At no time during this period did Burton state or  
19 otherwise indicate that he believed that he had been sexually abused by Collins-Rector, Shackley, or  
20 me; nor did he make any further mention of his apparent plan to extort money from Collins-Rector or  
21 DEN; nor did he state that he was being mistreated by us in any way. To the best of my knowledge  
22 and information, Burton's consensual romantic relationship with Shackley continued during this  
23 period of time.

24 13. At some point in early 2000, Burton, Collins-Rector, Shackley and I returned again for  
25 a brief visit to Los Angeles, California. At no time during this period did Burton state or otherwise  
26 indicate that he believed that he had been sexually abused by Collins-Rector, Shackley, or me; nor  
27 did he make any further mention of his apparent plan to extort money from Collins-Rector or DEN;  
28 nor did he state that he was being mistreated by us in any way. To the best of my knowledge and

1 information, Burton's consensual romantic relationship with Shackley continued during this period of  
2 time.

3 14. In April or May 2000, Collins-Rector, Shackley, Burton and I traveled to Florida,  
4 where we lived for approximately one month. During our visit to Florida, Collins-Rector, Shackley  
5 and I discovered, through a search of the personal computer than Burton had been using, that Burton  
6 had been the source of the leaks of confidential and private information concerning us and DEN to  
7 DEN's competitors and the public. We confronted Burton about his misconduct, whereupon Burton  
8 became agitated and stormed out of the house and, to the best of my knowledge and information,  
9 returned to the Los Angeles area. At that time, Burton did not state or otherwise indicate that he  
10 believed that he had been sexually abused by Collins-Rector, Shackley, or me; nor did he make any  
11 mention of any plan to extort money from Collins-Rector or DEN; nor did he state that he had been  
12 mistreated in any way by Collins-Rector, Shackley, or me. This was the last direct contact we had  
13 with Burton.

14 15. On or about May 20, 2000, Collins-Rector, Shackley and I moved to Marbella, Spain.  
15 At the time we left for Spain, none of us had any idea that Burton was planning to file suit against  
16 any of us. Furthermore, as of this time, Burton had never given us any indication whatsoever that he  
17 had been sexually abused or mistreated in any way by any of us.

18 16. According to court records, in July 2000, the present action (this "Action") was  
19 commenced by Burton and others against DEN, Collins-Rector, Shackley, myself and several other  
20 individuals, two months after the above-described incident in Florida between us and Burton. At that  
21 time, as mentioned above, we had already left the country and taken up residence in Spain. We  
22 continued to live abroad for approximately two-and-a half years thereafter.

23 17. Eventually, while living overseas, in late 2002, a friend mentioned to me that,  
24 sometime earlier, he had seen a news article that indicated that a several million dollar judgment had  
25 been entered against Collins-Rector, Shackley and me in a civil matter back in the Los Angeles area.  
26 I eventually obtained a copy of that news article, and became concerned about the litigation that  
27 apparently had been commenced against us, so I returned to the United States to investigate the  
28 situation. Shortly thereafter, on or about February 25, 2003, I obtained a copy of the Court's "Case

1 History Report" in this Action, and learned that a default judgment had been entered against me in  
2 this Action.

3 18. I had no idea that I might have been named as a party to any civil action in the United  
4 States until I read the aforementioned news article in late 2002, and I had no actual notice of this  
5 Action until on or about February 25, 2003, when I obtained the "Case History Report" in this  
6 Action. In particular, I had no reason to suspect that Burton was planning to initiate litigation against  
7 me, since I saw him on a daily basis from late 1999 to May 2000 (i.e., the period ending a mere two  
8 months before Burton initiated this Action), during which time he never gave me any indication that  
9 he believed that he had been sexually abused by Collins-Rector, Shackley, or me, nor that he had  
10 been mistreated in any way. In fact, I believe that this Action is the manifestation of Burton's  
11 scheme (first mentioned to me in France in late 1999) to extort money from DEN and/or Collins-  
12 Rector and, moreover, that Burton only named me as a defendant in this Action because of my  
13 opposition to and stated refusal to participate in his extortion plot against DEN and Collins-Rector.

14 19. My lack of actual notice of this Action was not due to avoidance of service or  
15 inexcusable neglect on my part. I left the country before commencement of this Action for legitimate  
16 reasons, I had no reason to suspect that I would be named as a defendant in any such action at the  
17 time I left the country, despite my above-described daily contact with Plaintiff Burton until the "eve"  
18 of litigation (i.e., two months before

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1 filing). I never had any actual knowledge of the existence of this Action until on or about February  
2 25, 2003.

3 20. I did not have actual notice of this Action in time to defend the Action.

4 I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct,  
5 and if called as a witness, I would and could testify as to the accuracy of such statements.

6 Executed this 16<sup>th</sup> day of July, 2003

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9 BROCK PIERCE

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