

PLAINTIFF'S ANSWERS AND OBJECTIONS TO INTERROGATORIES

INTERROGATORY NO. 1

IDENTIFY with particularity all alleged misrepresentations by Defendants on which YOU personally and actually relied, and as a result of which YOU were damaged, as alleged in the COMPLAINT, stating the time, place, manner, and maker of each alleged misrepresentation.

RESPONSE: All of Defendants representations about virtual land ownership and intellectual property rights in Second Life are false. However, Plaintiff did not know that they were false until after Defendant Linden stole his virtual property, his U.S. Currency, his virtual assets, deleting his virtual property, prohibited him from accessing his account and resold his virtual land to third parties and did not provide Plaintiff with the money. Defendants have attempted to conceal their false statements for as long as possible.

Plaintiff relied on numerous representations made by Defendants jointly and/or individually, as more fully set forth in the Complaint, the attachments to the Complaint, the articles, press releases, interviews with Defendant Rosedale, the content of the websites located at www.secondlife.com and www.lindenlab.com and the documents produced pursuant to Rule 26 and in response to document requests served upon Plaintiff. Accordingly, Plaintiff incorporates by reference his Complaint in this case as if more fully set forth at length herein and refers Defendants to the numerous false statements made by Defendants to him and consumers contained in press releases, interviews and Defendant Linden's website.

Not by way of limitation, the following representations are false but Plaintiff believed were true at the time he relied upon them:

The representations made by Rosedale and Linden before commencing this lawsuit with regard to virtual land ownership, intellectual property rights, rights of exclusive possession, and clear title; i.e., specific reference to legal terms relating to the ownership rights that inhere in real property in addition to personal property.

The representations in in-world chats hosted by Defendants with regard to virtual land usage, modification, and issues pertaining to the same.

The representations in the press release dated November 14, 2003 stating: "The revised TOS allows subscribers to retain full intellectual property protection for the digital content they create."

The representations in the press release dated November 14, 2003 stating: "Until now, any content created by users for persistent state worlds, such as EverQuest or Star Wars Galaxies, has essentially become the property of the company developing and hosting the world." Rosedale further stated: "We believe our new policy

recognizes the fact that persistent world users are making significant contributions to building these worlds and should be able to both own the content they create and share in the value that is created. The preservation of users' property rights is a necessary step toward the emergence of genuinely real online worlds."

The representations made in December, 2003 that participants could own "virtual land" inside Second Life.

The representations made June 3, 2004 to the USA Today.

The representations by Rosedale in 2004 that "the idea of land ownership and the ease with which you can own land and do something with it ... is intoxicating."

The representations by Rosedale in 2004 that "land ownership feels important and tangible. It's a real piece of the future."

The representations made by Second Life website, including, but not limited to, a section called "Own Virtual Land" which discusses "owning land" in Second Life, the account page detailing "Owning Parcels", the distinctions between ownership and leases drawn by Defendant Linden and the numerous statements made that "participants" own the Second Life world on the front page and throughout the website.

The representations made on the Second Life website, including a section entitled "IP Rights" which stated: "Linden Lab's Terms of Service agreement recognizes Residents' right to retain full intellectual property protection for the digital content they create in Second Life.... This is enforceable and applicable both in-world and offline... You create it, you own it – and it's yours to do with as you please."

The representations made by Rosedale on or about June 14, 2005, in an interview with Guardian Unlimited: Gamesblog in which Rosedale represented to the world that participants that purchased land in Second Life owned the land.

The representations made by Rosedale in an interview on or about June 14, 2005 with Guardian Unlimited: Gamesblog which Rosedale stated: "We started selling land free and clear, and we sold the title, and we made it extremely clear that we were not the owner of the virtual property."

The representations by Rosedale on April 13, 2006 in an interview with PSFK.com, in response to a question about whether there was any "gray area" with regard to copyright and intellectual property rights in Second Life, Rosedale stated: "Things are pretty clear- as a user, you own what you create in Second Life."

The representations by Rosedale on April 13, 2006 in an interview with PSFK.com, where he stated: "[S]uccessful countries always start by making sure that people can freely own, resell, and mortgage the real-estate on which they live. This is a Very Big Idea... This was one of the key things that drove our ideas around land ownership and the introduction of IP rights."

The representations made by Defendants regarding ‘generating income’ and ‘capital creating.’

The representations made by Defendants regarding leveraging assets.

The representation made by Defendants about “allowing users to own their creations.”

The representations made by Defendants about “using virtual property as collateral.”

Further, although Plaintiff did not “rely” in advance, Defendants have persisted in their false statements to consumers, including a “podcast” interview with After TV on or about July 20, 2006, where Rosedale stated: “everything inside it [Second Life] is made by the people who are there and in fact, the land itself and the space and everything is owned, controlled and built by the people who are there....” Rosedale further stated: “everyone owns their own stuff their own property – there’s no way we could just advertise on that property without asking because it isn’t ours you know. It belongs to land owners.”

Additionally, although Plaintiff did not “rely” in advance, Defendants have persisted in and reinforced their false statements to consumers, including the article in Inc. Magazine where Rosedale states: “What you have in Second Life is real and its yours. It doesn’t belong to us. We have no claim to it. Whatever you do with Second Life is your own intellectual property. You can claim copyright on it. You can make money.” ... “Land is yours to own and resell.”

By way of further response, Plaintiff objects to this Interrogatory as overly broad, unduly burdensome. Without waiving said objection, Plaintiff directs Defendant to the Complaint, and articles, emails and documents provided in Plaintiff’s Initial and Supplemental Disclosures. Plaintiff reserves his right to supplement this response in accordance with the F.R.C.P.

INTERROGATORY NO. 2

For each alleged misrepresentation identified in YOUR response to the preceding interrogatory, state with particularity all facts supporting YOUR contention that the alleged misrepresentation was false or misleading at the time it was made.

RESPONSE: The defendants lied to Plaintiff and consumers generally with regard to virtual land ownership and intellectual property rights in Second Life. Accordingly, Plaintiff incorporates by reference his Complaint in this case as if more fully set forth at length herein.

By way of further response, Defendants admit now that they lied to Plaintiff and all consumers generally and induced numerous consumers to provide large sums of

money to Defendant Linden in reliance upon the lies. For example, in Paragraph 48 of their Answer, Defendants admit that when they used the word "own" what they really meant was "license computing resources". Further admissions of lying to Plaintiff and consumers generally can be found in Paragraph 48 of the Answer where Defendants aver that "selling land free and clear" and "selling title" do not mean what they purport to say, but are somehow metaphors and analogies. Defendant Rosedale admitted in an interview with Inc. Magazine that the first time the lies were told to consumers was when Defendants realized that Defendant Linden was failing as a company and Defendant Rosedale stood to lose large sums of his own money as well as other investors.

Although Defendants lied to Plaintiff and all other consumers to induce them into buying virtual land and otherwise participating in the Second Life world, Defendants have continued to persist in lying to consumers and still prominently display on their website such lies that consumers can "Own Virtual Land". Such statements are knowingly false yet remain on Defendant Linden's website so they can continue inducing consumers into providing their money to Defendant Linden under false pretenses.

By way of further response, Plaintiff objects to this Interrogatory as overly broad and unduly burdensome. The Plaintiff further objects to this Interrogatory as vague in that it calls for Plaintiff to state facts known to the Defendants and seeks to cause him to speculate, without the benefit of discovery, as to when precisely Defendants hatched their plan to defraud him and public at large.

In further response, Plaintiff by refers Defendants to the Complaint, the attachments to the Complaint, the articles, press releases, interviews with Defendant Rosedale, the content of the websites located at www.secondlife.com and www.lindenlab.com and the documents produced pursuant to Rule 26 and in response to document requests served upon Plaintiff.

INTERROGATORY NO. 3

For each alleged misrepresentation identified in YOUR response to Interrogatory No. 1, state with particularity the circumstances of YOUR alleged reliance thereon, including without limitation when YOU became aware of the representation and what you did in reliance thereon.

RESPONSE: Plaintiff provided his money to Defendants in reliance upon the statements made. Further, as is more fully detailed in his Complaint, in reliance, Plaintiff transmitted personal and confidential financial information to Defendant Linden, purchased, sold, developed, rented, and managed land, purchased items from third parties that could be used on the land, contracted for and paid for services of others in connection with the ownership of Plaintiff's land, forged ventures for the purchase, development and acquisition of land, and continued to purchase additional land, and paid monthly tax/tier to Defendant Linden on the

land Plaintiff owned. Plaintiff purchased virtual assets and created his own virtual assets as well.

However, Plaintiff did not know that the representations were false until after Defendant Linden stole his virtual property, his U.S. Currency, his virtual assets and prohibited him from accessing his account. Defendants have attempted to conceal their false statements for as long as possible.

By way of further response, Plaintiff objects to this Interrogatory as vague, ambiguous and compound.

INTERROGATORY NO. 4

For each alleged misrepresentation identified in YOUR response to Interrogatory No. 1, state with particularity the circumstances under which YOU discovered that the alleged misrepresentation was false or misleading.

RESPONSE: Plaintiff realized that he had been lied to when Defendant Linden stole his virtual property, his U.S. Currency, his virtual assets and prohibited him from accessing his account, destroyed his virtual assets, interfered with their use and re-sold his virtual property to third parties without even providing him with the money. By way of further response, Plaintiff directs Defendants to the Complaint in this lawsuit which is incorporated by reference as if more fully set forth at length herein.

INTERROGATORY NO. 5

Provide a calculation of all losses or damages YOU contend sustained as a result of any misrepresentations or omissions of Defendants as alleged in the COMPLAINT, specifying the basis for that calculation.

RESPONSE: Plaintiff is still calculating the amount of money he provided to Defendant. Defendant is already in possession of such information and, accordingly, can determine the amount of money it took from Plaintiff from documents in its possession. However, Plaintiff currently approximates that he provided \$13,900 U.S. dollars and one million Lindens to Defendant Linden for tier payments, land purchases, account credit, lindens in account, and purchases from third party vendors.

Every dollar that Plaintiff provided to Defendant Linden is claimed as damages in this case.

Plaintiff's attorneys fees exceed \$100,000 and are growing on a daily basis Plaintiff is also entitled to treble damages, punitive damages and statutory damages, as more fully documented in the Complaint, in addition to injunctive and equitable relief.

By way of further response, Plaintiff objects to this Interrogatory as it is overly broad and unduly burdensome. Plaintiff objects to this Interrogatory as Defendant is in possession of information Plaintiff needs to fully and accurately account for Plaintiff's losses. Plaintiff reserves the right to supplement this answer should additional information be obtained from any source.

Plaintiff also objects to the extent that any request for expert reports is untimely.

INTERROGATORY NO. 6

For each of the items of "virtual property" YOU acquired over the course of YOUR participation in Second Life as alleged in the COMPLAINT, state the purchase price YOU paid for each such item and the amount YOU realized upon the sale of each such item and, if appropriate, each separately-sold portion thereof.

RESPONSE: Plaintiff's virtual items were all destroyed and otherwise made unavailable by Defendants. Plaintiff refers Defendants to the documents he produced in response to Rule 26 disclosures, although not a comprehensive listing.

By way of further response, Plaintiff objects to this Interrogatory in that the Interrogatory is unreasonably cumulative and duplicative. Further, Plaintiff states the information responsive to this Interrogatory is in the exclusive control and possession of Defendants. Defendants are in exclusive possession and control of Plaintiff's account information required to make a comprehensive listing of inventory of Plaintiff properties.

INTERROGATORY NO. 7

State the amounts YOU invested in connection with YOUR activities in Second Life, all revenues YOU received as a result of those activities, and any profit or loss from those activities.

RESPONSE: Plaintiff incorporates by reference his responses and objections to Interrogatories No. 6 and 7 as if more fully set forth at length herein.

By way of further response, Plaintiff objects to this Interrogatory in that it is unreasonably cumulative and duplicative. The Interrogatory is overly broad and vague. Further, the discovery sought is in exclusive control and possession of the Defendants and therefore more readily obtainable by Defendants than Plaintiff. Notwithstanding its objection, Plaintiff states that the information sought was

provided in its Initial and Supplemental Disclosures to Defendants, although not a comprehensive listing. Defendants are in exclusive possession and control of Plaintiff's account information required to make a comprehensive listing of inventory and revenues of Plaintiff.

INTERROGATORY NO. 8

For each item of YOUR "virtual property" YOU allege in Count 6 of the COMPLAINT was wrongfully converted by Defendants, state its value at the time of the alleged conversion, and the basis for your valuation.

RESPONSE: Plaintiff incorporates by reference herein his Answers to Interrogatories Nos. 6-8 as if more fully set forth at length herein.

By way of further response, Plaintiff objects to this Interrogatory in that the Interrogatory is unreasonably cumulative and duplicative. Further, Plaintiff states the information responsive to this Interrogatory is in the exclusive control and possession of Defendants. Notwithstanding these objections, Plaintiff states that the information sought was provided in its Initial and Supplemental Initial Disclosures to Defendants, although not a comprehensive listing. Defendants are in exclusive possession and control of Plaintiff's account information required to make a comprehensive listing of inventory of Plaintiff.

INTERROGATORY NO. 9

Identify with particularity each of YOUR "contracts with third parties for the sale of virtual property and/or the virtual items" with which YOU contend Defendants interfered, as alleged in Count 7 of the COMPLAINT, specifying for each such contract the other party or parties thereto, date of formation, the specific "virtual property and/or virtual items" to be sold, and all material terms of the contract.

RESPONSE: Defendants interfered with his ability to contract with any third parties by destroying his virtual items and preventing him from accessing such virtual items and virtual land.

Plaintiff objects to this Interrogatory in that the Interrogatory is overly broad, unduly burdensome, vague, and/or ambiguous. Plaintiff further objects to this Interrogatory in that the information responsive to this Interrogatory is in exclusive possession and control of the Defendants and is more readily obtainable by Defendants than Plaintiff. Without waiving these objections, Defendants are in possession of logs memorializing rental transactions with various tenants of the

Danpoon and Shinjung “sims,” and various other subscribers for fireworks displays, building and land sales responsive to this Interrogatory.

INTERROGATORY NO. 10

State with particularity what YOU contend Defendants did to interfere with each of the alleged contracts identified in YOUR response to the preceding interrogatory.

RESPONSE: Plaintiff directs Defendants to the Complaint, Plaintiff’s Initial and Supplemental Initial Disclosures and responses to Interrogatories. By way of further response, Defendant Linden destroyed Plaintiff’s virtual items, stole his land and sold it to third parties, in addition to other acts more fully described in the Complaint.

INTERROGATORY NO. 11

Provide a calculation of all damages YOU contend YOU incurred as a result of each of the alleged acts of interference with contracts identified in YOUR response to the preceding interrogatory, specifying the basis for that calculation.

RESPONSE: Plaintiff objects to this Interrogatory in that the Interrogatory is overly broad, unduly burdensome, vague, and/or ambiguous. Defendants are in exclusive possession and control of information responsive to this Interrogatory. Without waiving said objections, and although not an exact accounting, Plaintiff’s ongoing rentals, firework shows, and projects under construction were generating approximately \$50.00 U.S. monthly; and purchase and sale of land was generating approximately \$1,200.00 U.S. monthly. Plaintiff reserves the right to supplement its responses up to and including the time of trial.

INTERROGATORY NO. 12

Identify with particularity each of the “prospective contractual relations [that] existed between Plaintiff and third parties for the sale of his virtual property and/or items,” as alleged in Count 7 of the COMPLAINT, specifying for each such prospective contractual relation the other prospective contracting party or parties, date and circumstances by which the relation was created, and the specific property that was the subject of the prospective contract.

RESPONSE: Plaintiff objects to this Interrogatory in that the Interrogatory is overly broad, unduly burdensome, vague, and/or ambiguous. Plaintiff further objects to this Interrogatory in that the information responsive to this Interrogatory

is in exclusive possession and control of the Defendants and is more readily obtainable by Defendants than Plaintiff. Without waiving these objections, Defendants are in possession of logs memorializing rental transactions with various tenants of the Danpoon and Shinjung “sims,” and various other subscribers for fireworks displays, building and land sales responsive to this Interrogatory.

INTERROGATORY NO. 13

State with particularity what You contend Defendants did to interfere with each of the alleged prospective contractual relations identified in your response to the preceding interrogatory.

RESPONSE: Plaintiff directs Defendants to the Complaint, Plaintiff's Initial and Supplemental Initial Disclosures and responses to Interrogatories. By way of further response, Defendant Linden destroyed Plaintiff's virtual items, stole his land and sold it to third parties, in addition to other acts more fully described in the Complaint.

INTERROGATORY NO. 14

Provide a calculation of all damages YOU contend YOU incurred as a result of each of the alleged acts of interference with prospective contractual relations identified in YOUR response to the preceding interrogatory, specifying the basis for that calculation.

RESPONSE: Plaintiff objects to this Interrogatory in that it is overly broad and unduly burdensome. Plaintiff objects to this Interrogatory in that the Interrogatory is unreasonably cumulative and duplicative. Further, Plaintiff states the information responsive to this Interrogatory is in the exclusive control and possession of Defendants. Notwithstanding these objections, Plaintiff states that the information sought was provided in its Initial and Supplemental Disclosures to Defendants, although not a comprehensive listing. Defendants are in exclusive possession and control of Plaintiff's account information required to make a comprehensive listing of inventory of Plaintiff, and third-party dealings with Plaintiff. Additionally, without waiving said objections, Plaintiff instructs Defendant that rented properties generated approximately \$25.00 to \$50.00 U.S. monthly; and firework displays approximately \$5.00 to \$10.00 U.S. monthly. Plaintiff's land sales averaged approximately \$11.00/m2 (\$U.S.).

INTERROGATORY NO. 15

Identify with particularity each contract YOU contend Defendants breached, as alleged in your COMPLAINT, specifying for each such contract the other parties thereto, the date of formation, the subject matter, and all material terms.

RESPONSE: Plaintiff objects to this Interrogatory in that the Interrogatory is overly broad, unduly burdensome, vague, and/or ambiguous. Plaintiff further objects to this Interrogatory in that the information responsive to this Interrogatory is in exclusive possession and control of the Defendants and is more readily obtainable by Defendants than Plaintiff. Without waiving these objections, Plaintiff directs Defendants to the Compliant. Additionally, Defendants are in possession of logs memorializing rental transactions with various tenants of the Danpoon and Shinjung "sims," and various other subscribers for fireworks displays, building sales, and land sales responsive to this Interrogatory.

By way of further response, Defendants breached the contracts identified in the Complaint, including all contracts where virtual land was sold to Plaintiff.

INTERROGATORY NO. 16

Provide a calculation of all damages YOU contend YOU incurred as a result of each of the alleged breaches of contract identified in YOUR response to the preceding interrogatory, specifying the basis for that calculation.

RESPONSE: Every dollar paid to Defendant Linden has been lost. Every dollar paid to any third party for virtual items and/or land has been lost. Plaintiff's U.S. Currency was also stolen by Defendant Linden.

By way of further response, Plaintiff objects to this Interrogatory in that the Interrogatory is unreasonably cumulative and duplicative. Plaintiff objects to this Interrogatory in that the Interrogatory is overly broad, unduly burdensome, vague, and/or ambiguous. Further, Plaintiff states the information responsive to this Interrogatory is in the exclusive control and possession of Defendants. Notwithstanding these objections, Plaintiff directs Defendants to the Complaint. Plaintiff states that the information sought was provided in its Initial and Supplemental Disclosures to Defendants, although not a comprehensive listing. Defendants are in exclusive possession and control of Plaintiff's account information required to make a comprehensive listing of inventory of Plaintiff.

INTERROGATORY NO. 17

For each alleged contract in connection with which You contend Defendants violated the covenant of good faith, identify with particularity the acts of Defendants that YOU contend constituted an unjust interference with your right to receive the benefit of the alleged contract.

RESPONSE: Plaintiff was sold virtual land. Defendants interfered with his ownership of the virtual land and destroyed the entire purpose of acquiring the virtual land as more fully set forth in the Complaint.

By way of further response, Plaintiff objects as this Interrogatory is unreasonable duplicative and cumulative. Without waiving said objection, Plaintiff directs Defendants to the Complaint, Initial and Supplemental Disclosures and responses to Interrogatories. Plaintiff further directs Defendants to the conduct of Defendants as stated in the Complaint.

INTERROGATORY NO. 18

Provide a calculation of all damages YOU contend You incurred as a result of each of the alleged breaches of the covenant of good faith and fair dealing identified in YOUR response to the preceding interrogatory, specifying the basis of that calculation.

RESPONSE: Plaintiff was sold virtual land. Defendants interfered with his ownership of the virtual land and destroyed the entire purpose of acquiring the virtual land as more fully set forth in the Complaint.

As set forth more fully at length herein, Plaintiff was generating income from sales and rental of his land.

By way of further response, Plaintiff objects to this Interrogatory in that the Interrogatory is unreasonably cumulative and duplicative. Plaintiff objects to this Interrogatory in that the Interrogatory is overly broad, unduly burdensome, vague, and/or ambiguous. Further, Plaintiff states the information responsive to this Interrogatory is in the exclusive control and possession of Defendants. Without waiving these objections, Plaintiff states that the information sought was provided in its Initial and Supplemental Disclosures to Defendants, although not a comprehensive listing of Plaintiff's account. Defendants are in exclusive possession and control of Plaintiff's account information required to make a comprehensive listing of inventory of Plaintiff for a calculation. As information becomes available Plaintiff reserves the right to supplement its responses.

Dated: August 23, 2007

WHITE AND WILLIAMS, LLP

By 

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Counsel for Plaintiff

VERIFICATION

I, Marc S. Bragg, verify that the statements made in the attached Answers to First Set of Interrogatories to Plaintiff are true and correct to the best of my knowledge, information, and belief, and are made subject to the penalty of perjury.



Marc S. Bragg

8/22/07

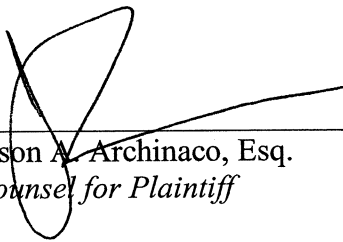
CERTIFICATE OF SERVICE

I, Jason A. Archinaco, Esq., hereby certify that a true and correct copy of **Plaintiff's Answers and Objections to Defendant and Counterclaim Plaintiff Linden Research, Inc.'s First Set of Interrogatories to Plaintiff and Counterclaim Defendant Marc Bragg**, have been served this 23rd day of August, 2007, via Federal Express overnight to and upon the following:

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