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SHEPPARD MULLIN RICHTER & HAMPTON LLP

ATTORNEYS AT LAW



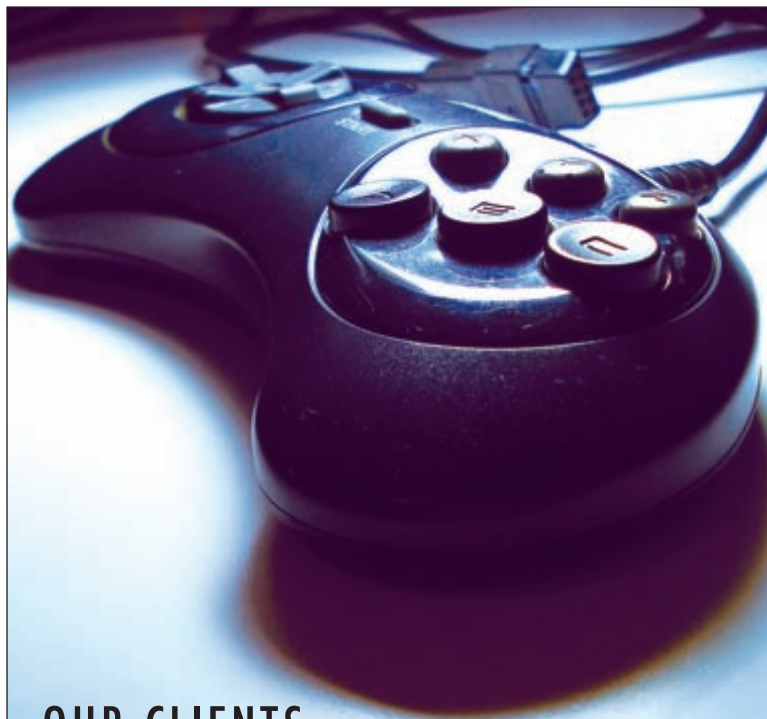
VIDEO GAME INDUSTRY GROUP

SHEPPARD MULLIN VIDEO GAME INDUSTRY GROUP

Sheppard Mullin is a forward-looking full service firm with more than 520 attorneys in 11 offices located throughout California and in New York City, Washington, D.C. and Shanghai. Attorneys active in the Video Game Industry Group ("VGIG") stay informed about the legal and business developments within the industry. This combination of industry savvy and legal expertise has led the VGIG to develop an inter-disciplinary approach designed to minimize corporate risk while maintaining the integrity of our clients' products.

Our team draws upon a variety of legal fields, including intellectual property, mergers and acquisitions, tax, employment, and litigation, to provide the following services:

- Intellectual property rights clearance, acquisition, disposition, licensing and protection
- Handling employment issues stemming from programmer "crunch time" provisions
- Statutory interpretation and application (FCC, CDA and DMCA)
- First Amendment protection (including obscenity, defamation and privacy issues)
- Structuring and enabling content development, production and distribution for interactive entertainment properties
- Innovative finance structures for game production budgets
- Creating resilient licensing and merchandising agreements
- Performing mergers and acquisitions
- Supporting branded entertainment efforts through legally sound promotions and advertising campaigns
- Minimizing risk and reacting to legal disputes arising from service downtime
- Structuring End-user License Agreements and Terms of Service
- Anticipating tax ramifications of online transactions
- Developing effective User Generated Content policies
- Executing the full range of Web 2.0 transactions



OUR CLIENTS

The attorneys on the Sheppard Mullin Video Game Industry team bring creative and cost effective solutions to your legal challenges. We are known for our practical approach to helping our clients deal with the legal issues they face in their real world business context. Our team will staff your matters with experienced and effective attorneys, who are able not only to answer complex questions quickly, but also to provide you with continuous availability.

Interactive entertainment companies often differ from other companies in their business models and their cultures. It is important that their legal counsel understand the subtleties of the interactive entertainment industry and their business goals and values. Our goal is to provide legal advice that anticipates many of the emerging issues in this evolving industry. Our relationships and experience with interactive media developers and online service providers allows us to provide strategic and practical advice that protects the client without undermining the integrity of its products. We recognize the influence legal decisions can hold over game design and we are dedicated to tailoring our services to provide clients with the advice they need to make the best games possible.

OUR SERVICE, YOUR PRODUCT

LICENSING AND DISTRIBUTION

Sheppard Mullin attorneys advise and represent clients in the acquisition, production, and licensing of interactive content. We help clients negotiate license and distribution agreements, addressing an array of interactive media and online technology properties and services. We have negotiated licenses with video game companies, online interactive media companies, traditional media and internet service providers.

We help our clients deliver the latest digital entertainment through the most advanced channels, including mobile devices, wireless and online gaming interfaces.

INTELLECTUAL PROPERTY

Sheppard Mullin's attorneys understand that protecting your company's intellectual property – including trademarks, copyrights, patents and related rights, such as trade secrets – is paramount to the success of your products. VGIG attorneys recognize that the video game industry has a unique relationship with intellectual property, and we are prepared to handle intellectual property issues specific to games, consoles, peripheral hardware and online services as well as more traditional concerns. Additionally, interactive entertainment companies contemplating international expansion will benefit from our international experience and relationships.



Our intellectual property clients include Fortune 500 companies as well as well-known video game and interactive media businesses. Sheppard Mullin assists clients in the development and ongoing management of their intellectual property portfolios, providing such services as:

- Intellectual property due diligence
- Securing intellectual property rights through registration with the appropriate domestic and foreign administrative bodies
- Safeguarding intellectual property rights (including anti-piracy protection) through advice, brand monitoring, mediation of disputes and, if necessary, litigation

E-COMMERCE

Sheppard Mullin recognizes that interactive media companies are increasingly taking advantage of the benefits of e-commerce, including digital distribution, monthly subscription services and advertising. The move to e-commerce presents a number of novel complications spanning multiple legal disciplines. The Video Game Industry Group's experience enables us to anticipate these issues and remove the legal obstacles hindering our clients' transition to e-commerce.

We can facilitate the creation of an online portal through a variety of services, including:

- Drafting Terms of Service
- Intellectual property clearance and protection (e.g., meta-tags)
- Negotiating online advertising agreements
- Addressing tax ramifications
- Constructing sales agreements
- Ensuring compliance with privacy regulations (e.g., Federal Electronic Communications Privacy Act)
- Securing domain name ownership (Anti-Cybersquatting Consumer Protection Act)

Sheppard Mullin counts among its attorneys true experts in e-commerce. We have the "know how" to handle multi-billion-dollar online advertising agreements, domain dispute actions and preparation of Terms of Service agreements — anticipating the continued evolution in client products and services.



FIRST AMENDMENT

Interactive media companies face a legal landscape that is increasingly antagonistic toward creative expression. Our attorneys regularly defend against incursions on our clients' First Amendment rights. We provide regulatory compliance advice, as well as litigation assistance, under circumstances giving rise to potential claims such as obscenity, defamation, and violation of privacy rights. Our experience includes anti-SLAPP motions, representation before the FCC, CDA compliance, defamation defense, and pre-publication advice. We represent networks, independent producers, individual television and radio stations, newspapers, columnists, authors and reporters in both the news and entertainment fields.

Sheppard Mullin's communications attorneys have helped shape policy governing ownership of media outlets, the regulatory classification of broadband Internet access providers, the digital television transition, the distribution of video programming by cable and DBS, and the interoperability of networks and consumer electronics devices. We represent clients in all sectors of the communications industry.

ADVERTISING, PROMOTIONS AND MARKETING

Interactive media companies are utilizing new and sophisticated marketing methods to launch products and increase market share and brand awareness — from online search optimization tools to enhance discovery of the company's product offering, to social networking widgets to drive viral growth, to "guerrilla" marketing/promotional campaigns and online user tracking initiatives that enable the company to target very specific demographic groups. These new marketing tools touch on a variety of legal disciplines, including entertainment, intellectual property, unfair competition, privacy and publicity rights, constitutional rights, e-commerce and antitrust and government trade regulation, among others. Our lawyers specialize in these issues from both the counseling and litigation perspectives.

Sheppard Mullin is experienced in preparing marketing agreements on behalf of technology, sports and entertainment clients. This experience includes drafting licensing agreements for the endorsement and sponsorship of products; clearing online, print, television and radio advertising copy; complying with privacy concerns; preparing advertising agency and media agreements; and advising clients on compliance with state and federal regulations.



FINANCING

Sheppard Mullin is an industry leader in developing innovative financial instruments for our media clients. We have helped clients achieve increased financial flexibility to fund expanded production slates. Our representation of borrowers and distributors has resulted in financings totaling in the billions of dollars. We have structured complex international tax advantaged, cross-border media financings in countries such as Japan, Canada, Germany, Ireland, France, Australia and England, and we have negotiated sophisticated inter-party and security agreements with financing and production entities. Indeed, we are on the cutting edge of video game production finance, a rapidly expanding field.

Representative media clients in the firm's film and television finance practice include Sony Pictures Entertainment, Paramount Pictures Corporation, Columbia TriStar Home Entertainment, Screen Gems, The Watt Company, The Walt Disney Company and MGM.

GOVERNMENT CONTRACTS

Sheppard Mullin is one of the few firms that has experience in facilitating the relatively unpublicized interaction between Federal and State governments on the one hand, and the video game industry on the other. Government bodies occasionally seek out technology developed in the private sector for various educational and logistical uses. Sheppard Mullin boasts a premier group of government contracts attorneys capable of handling this discreet area of law, allowing video game clients to fully maximize the potential of their products.

OUR SERVICE, YOUR COMPANY

COMPREHENSIVE CORPORATE AND INSTITUTIONAL REPRESENTATION

Sheppard Mullin offers its clients a talented group of M&A attorneys who negotiate transactions throughout the United States and overseas. We advise individuals and small privately held businesses, private equity firms and multinational public corporations on all types of M&A transactions, including purchases and sales of stock and assets, management buyouts, recapitalizations and other corporate restructurings. Our attorneys have handled both friendly and hostile transactions, have advised both foreign and domestic participants on cross border transactions and have utilized a myriad of acquisition structures and forms of consideration to help accomplish our clients' goals. We have in-depth expertise in structuring and negotiating joint ventures and strategic alliances (whether a start-up company, a privately held business, a public corporation or other form of joint enterprise).

Corporate lawyers in the Video Game Industry group have acted as lead counsel in numerous major, complex and sophisticated acquisition, joint venture, strategic alliance, finance and licensing transactions (both domestic and international) on behalf of major media companies, cable channels and large production companies, including JAMDAT, The Walt Disney Company, Sony Pictures Entertainment Inc., Paramount Pictures Corporation, Fox Family Worldwide, Inc. (now ABC Family Worldwide), Twentieth-Century Fox and Lions Gate Entertainment Corp.

VENTURE AND OTHER CORPORATE FINANCING

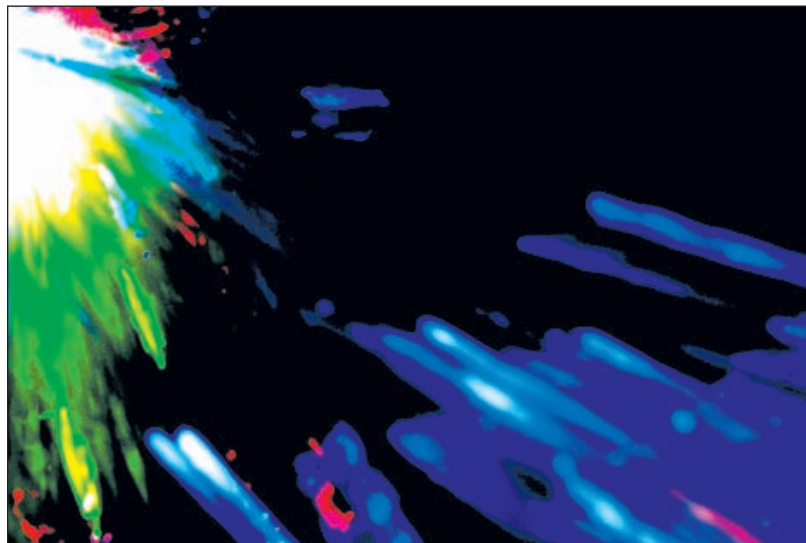
Whether your corporate finance needs involve public offerings or private placements, including venture capital and angel financing, we are experienced and ready to assist. We have served as counsel to countless clients seeking venture capital or other financing. Our hands-on experience gives us the ability to develop creative solutions to problems encountered in the course of any corporate financing.

Financing arrangements with which we are experienced include:

- Bridge loans
- IPO's and secondary offerings
- Mezzanine
- PIPES and private debt financing
- Seed and angel investments
- Strategic investments
- Venture capital

EMPLOYMENT

Sheppard Mullin's Video Game Industry group is supported by one of the largest and most experienced Labor and Employment law practices in the country. Our attorneys are well-equipped to advise clients with respect to key employment issues in the video game industry, such as "crunch time" provisions for programmers, temporary worker contracts, and executive compensation structuring. We litigate and resolve the types of disputes that arise in the day-to-day operations of media companies. In addition to representing employers of all sizes—ranging from Fortune 100 companies to start-ups — Sheppard Mullin provides labor and employment advice to a broad base of media companies.



STOCK AND EQUITY AGREEMENTS

Sheppard Mullin offers expertise in the negotiation and documentation of senior executive employment agreements. This expertise includes devising performance and stock oriented compensations plans as well as other deferred or incentive based plans, preparing confidentiality, trade secret and non-interference agreements and advising on tax and employee benefit matters.

We also defend clients in disputes arising from compensation agreements and benefit plans. Our litigators have defended employers in compensation disputes ranging in complexity from simple claims for unpaid wages, to informal and court litigated stock option disputes, to claims for breach of commission or bonus agreement, to ERISA claims for employee benefits.

TAX

Tax law as it now exists fails to provide clear guidance on many of the issues important to interactive media companies, such as sales tax on online real money transactions, taxation of digital property and jurisdictional issues arising from a global consumer base. Our understanding of evolving tax law allows us to consistently design transactions and solve seemingly insurmountable tax problems in the most advantageous way possible for our clients.

Because tax issues arise in virtually all the firm's practices, our tax attorneys are known for their ability to collaborate. We ensure compliance with federal, state and international tax laws and assist clients in structuring transactions and planning business agreements to reduce income, sales, transfer, property and other taxes.

OUR SERVICE, YOUR PROTECTION

COMPREHENSIVE DISPUTE RESOLUTION AND LITIGATION SERVICES

Sheppard Mullin's Video Game Industry practice includes some of the best litigators servicing the entertainment industry. The depth of our experience in media-related disputes, coupled with our creative approach to litigation, provides us with the tools to navigate the relatively uncharted waters of interactive media litigation. We offer the full range of litigation services, including state and federal trial and appellate work and alternative dispute resolution. Our litigators are known for innovative settlement approaches that can turn problem situations into a "win-win" result.

ANTITRUST

For decades Sheppard Mullin has been a leader in the antitrust bar. Gordon Hampton, one of the firm's name partners, was a founder of the Antitrust Section of the American Bar Association. That tradition continues today with a dynamic Antitrust and Trade Regulation practice. Our antitrust attorneys handle matters involving mergers and structural issues, criminal grand jury proceedings, international antitrust enforcement, pricing practices, product distribution, joint ventures, class actions based on federal statutes and state unfair competition laws.

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