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TECHNOLOGY ASSOCIATES, LLC
iENTERTAINMENT, INC;
ACCOUNTINGMATTERS.COM, LLC

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SAN FERNANDO VALLEY DIVISION

In re	)	INVOLUNTARY CHAPTER 11 PETITION
)	
ESCOM, LLC,	)	CASE NO.: 1:10-bk-13001-GM
)	
Debtor.	)	DECLARATION OF TIM SCHUMACHER
	)	IN SUPPORT OF OPPOSITION TO
	)	MOTION OF DOM PARTNERS LLC FOR
	)	RELIEF FROM THE AUTOMATIC STAY
	)	PURSUANT TO 11 U.S.C. § 362(d)(1);
	)	EXHIBIT
)	
	)	<u>HEARING</u>
)	
	)	Date: April 20, 2010
	)	Time: 11:00 a.m.
	)	Place: Courtroom 303

DECLARATION OF TIM SCHUMACHER

I, Tim Schumacher, declare as follows:

1. I am the Chief Executive Officer of Sedo GmbH and its United States subsidiary, Sedo.com, LLC (collectively, "Sedo").
2. Sedo is a global leader in the domain industry with the world's largest secondary marketplace for domains and over 1 million customers worldwide.
3. The document attached hereto as Exhibit 1 is a true and correct copy of a letter dated March 12, 2010 that I sent to Scott Matthews of Windels Marx Lane & Mittendorf, LLP regarding the sex.com domain name.
4. I am familiar with the sex.com domain name and based upon my expertise and experience in marketing and selling super premium domain names such as sex.com, I believe that any attempt to sell the sex.com domain name via a process whereby potential buyers have only 30 days notice and no representations or warranties as to clear title are given to bidders will yield substantially less than if the domain name was properly marketed and sold by someone with proper expertise and experience with proper representations and warranties regarding clear title.
5. Based on my experience and numerous calls, emails and letters we received from potentially interested parties, I believe that if the foreclosure auction originally scheduled for March 18, 2010 had taken place, the sex.com domain name would have sold for less than \$6,000,000, and if a proper process is conducted as described above, a sale of the domain name would likely yield in excess of \$14,000,000.00.

I have personal knowledge of the facts stated herein, except where stated upon information and belief, and where so stated, I am informed and believe that such facts are true and correct. If called and sworn as a witness, I could and would competently testify to the above.

1 Executed this 6th day of April 2010, I declare under penalty of perjury under the laws of
2 the United States of America that the foregoing is true and correct.

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Exhibit 1

Exhibit 1



Sedo.com LLC

161 First Street
Cambridge, MA 02142
USA

Sedo GmbH

Mediapark 6
50670 Cologne
Germany

Windels Marx Lane & Mittendorf, LLP
Attn: Scott Matthews, Esq.
156 West 56th Street
New York, New York 10019

March 12, 2010

Dear Scott Matthews, Esq.,

We wanted to write to express our concern for the process in which we at Sedo see the domain sex.com being handled for liquidation. We are writing to you after speaking to many of our clients and many industry experts the past few weeks regarding the way the sale is slated to be handled.

Sedo is a global leader in the domain industry. We have the world's largest marketplace for secondary market domains and over 1 million customers worldwide. We sold over 74 million dollars of domains last year alone. We not only have the biggest market share when it comes to selling domains, we are also a leader in selling high value domains, responsible for over 55% of the highest value domains sales in 2009. We know domains and their values. Sex.com is arguably the most highly valued domain name that exists. We truly believe the value of this domain will be severely diminished if sold in a foreclosure auction as scheduled.

Countless investors and end users alike have written to us, called us and told us how they believe this name will sell for less than six million in a foreclosure auction. There was only one month notice for this auction. This is not enough time for the due diligence needed for any serious bidder to prepare to make a substantial offer.

Many have said that they will not participate in an auction format. Yet another major concern is that the asset will be sold in auction 'as is'. It is public information that this name is owned by several parties, and that alone greatly increases the risk that this domain name is not free and clear. With the colorful legal history this domain has already, this just heightens potential bidders' fears of bidding high on a name with no warranties. It adds to the many factors that will greatly devalue this domain name if sold in a foreclosure auction.



Many potential bidders, serious bidders that we know would be able to bid at the levels appropriate for the true value of this domain, have stated that the timeframe is too short. Many need to get board approval for a major purchase like this. The time needed for that is not 30 days. Beyond that, due to the well known history of this domain, its use the past four years, its sale price in 2006, and the questions about why the current group of owners could not make it work, it will be a very hard sell to a board to approve funds for parties to bid anywhere near the sale price in 2006. Again, another major factor that will lead to this domain selling far under-value in a foreclosure auction that was announced with only 30 days notice. However, if the sale of this asset were being handled by an authority in the domain industry, with experience in high value domain sales, these concerns could be addressed and overcome with the help and education of experienced domain brokers. These factors will keep many legitimate bidders out of the process which in turn decreases competition for the name. Reduced competition reduces the final sale price.

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We believe this name can and should sell for substantially more than six million dollars. With the proper amount of time, marketing and brokering of this name by a qualified firm with expertise in high value domain brokerage, this name will get the type of quality offers it deserves.

We believe this domain sale should be handled in a private brokerage situation and managed exclusively by one company that is experienced in selling high value domains. This is the optimal situation to ensure the best marketing of the domain for sale and proper handling of multiple bidders to obtain a secure and qualified best offer. The minimal price you will pay in fees to a qualified domain brokerage firm to expertly manage this sale will be negligible compared to the amount of money that will be left on the table if this domain goes up for sale in a foreclosure auction.

We believe in an ideal situation, there would be a one year timeframe in which to do this sale properly. The amount of time it takes to gather the proper sales data, prepare and market the domain to ensure all appropriate parties know this domain is for sale, manage and qualify potential buyers as they do their due diligence, as well as managing offer and contract process, needs time.

However, we also understand the nature of this situation and the need for a quick sale. However, if a very experienced party in the domain sales industry were given even 90 days to sell this domain, it would result in a substantially higher sale price than it would if it runs in a foreclosure 'sold as is' auction.



Sedo has presented our sales strategy to the domain owners over the past year and proposed to be the party to sell the domain. It was our understanding that the sale would go this way and that the owners agreed we were the best ones to handle the sale in order to get the highest sale price. We are prepared to sell, have done our research and built strong lead lists from within the investor community as well as the end user community. We will use our strong PR and marketing to get worldwide media placements. Sedo's world class global team, responsible for selling over 55% of the highest value public domain sales in 2009, is ready to take on the challenge of selling this domain and getting the highest offer possible in the time given.

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We ask you to reconsider your position in putting this domain in a foreclosure auction. The process should be handled by experts in high value domain sales with more time to allow potential buyers to do their due diligence, get the approvals for funding, and ensure that the legal contracts are in place so that both buyers and sellers are protected. In order to achieve the highest sales price, we need competition. Buyers need to know about the sale and understand the value of a domain to create competition. This can only be done in an environment ensuring confidentiality to the potential buyers, time for due diligence and approvals, and appropriate legal contracts to protect all parties involved in a sale of such magnitude.

Thank you for your time and consideration,

A handwritten signature in black ink, appearing to read "Tim Schumacher", is written over a rectangular area with a light gray, textured background.

Tim Schumacher

CEO

In re: ESCOM, LLC

Debtor(s).

CHAPTER 11

CASE NUMBER 1:10-bk-13001-GM

NOTE: When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
1925 Century Park East, Suite 2000
Los Angeles, California 90067

A true and correct copy of the foregoing document described **DECLARATION OF TIM SCHUMACHER IN SUPPORT OF OPPOSITION TO MOTION OF DOM PARTNERS LLC FOR RELIEF FROM THE AUTOMATIC STAY PURSUANT TO 11 U.S.C. § 362(d)(1); EXHIBIT** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On April 6, 2010 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- Jeffrey W Dulberg jdulberg@pszjlaw.com
- John W Kim jkim@nossaman.com
- Susan I Montgomery susan@simontgomerylaw.com
- S Margaux Ross margaux.ross@usdoj.gov
- United States Trustee (SV) ustregion16.wh.ecf@usdoj.gov

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL(indicate method for each person or entity served):

On April 6, 2010 I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

The Honorable Geraldine Mund
United States Bankruptcy Court
- Central District of California
21041 Burbank Boulevard, Suite 342
Woodland Hills, CA 91367

Daniel G Gurfen
230 Park Ave Ste 1130
New York, NY 10169

Mark Chassman
120 Broadway Suite 300
Santa Monica, CA 90401

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on _____ I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

In re: ESCOM, LLC

Debtor(s).

CHAPTER 11

CASE NUMBER 1:10-bk-13001-GM

April 6, 2010

Date

RITA WILLIAMS

Type Name

/S/ RITA WILLIAMS

Signature