EXHIBIT CC

(MDY's SDF)

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A No. There are no direct data on that.
Q Do you have any evidence of how many people on average use Glider to play at any given time, amount of time for a particular day?
A All we have is the existence of 27 or 30 thousand Glider keys. We do not have data on how those keys are used.
Q So you've never actually interviewed any users of the Glider program and asked them how long they played WoW with Glider?
A No, I have not.
Q Now, I would also expect you would know that it's also true a person could play World of Warcraft 24 hours a day without Glider, correct?
A I don't think so. How can you play World of Warcraft 24 hours a day as a human being?
Q Well, you could play for a 24-hour time period, let's say.
A Continuously?
Q Yes.
A A person could, yes, not for very many days, though. It's like working for a law firm. No.
Q Although I have read stories about a guy who did try.
A Yeah, there are stories of people playing this

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A I'm considered lame among scholars. Most of them have 70s.
Q That's 38 higher than mine.
What happens if you are a level 48 character, and you try to fight a monster that's a level 20 monster?
A You get no experience points.
Q And if, for example, you're using Glider and you're a level 48 character, is it safe to assume that in the course of gliding, on at least one or more occasions, your character would encounter a monster that it would fight that has a level substantially lower than your level, which would give you no experience points if you killed it?
A The way Glider works, in fact, it would be almost guaranteed that you would do this.
I'm guessing that the term overleveling comes from within the Glider community, and it refers to the following situation: You set your Glider switch to run around in this area. You are a level 48 character. There are monsters in this area that are level 44, 46, which are weaker than you, easy to kill, and you get some experience points from doing that.

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Eventually you become level 49, level 50, level 51. And some of those monsters would become what is called grayed out, they become gray. You don't get experience points for them. My guess is that the Glider community refers to

6 overleveling as you set the switches for the
7 Glider, the thing runs, and you level beyond the
8 levels of the monsters in this area. So now
9 you're not getting XP anymore.
10 And what you would have to do, then, is
11 you'd have to take the character, move it
12 somewhere else, and give it a new pattern among
13 slightly higher level monsters.
14 Q And if that happens, and it happens during a
15 point in time when, let's say, you're at work,
16 is it safe to assume that for any time that your
17 character is running around in the area that it
18 was set to glide, it's not going to gain any
19 additional experience points?
20 A Yes, that's safe to assume. So it becomes
21 incumbent on the Glider user, a good Glider
22 user, would find a sweet spot when they set up
23 their character, a spot where all those eight
24 hours will be spent getting experience points.
25 So, for example, it would be dumb to take a

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1 Q But again, you have never conducted a study to
2 prove this, correct?
3 A No, I have not conducted a study to prove that.
4 Q And you have not interviewed any Glider users?
5 A No, I have not.
6 Q Okay. Are you aware that Glider cannot advance
7 your character level any further than level 70?
8 A Yes. Level 70 is the top level in World of
9 Warcraft right now.
10 Q Okay. And isn't it true that Glider users
11 continue to play the game once they reach level
12 70?
13 A Yes, it is true. Well, I don't know if it's
14 true. I assume that it's true. Most people who
15 get to level 70 continue to play, yes.
16 Q Okay. Now, you mentioned that in that sentence
17 that Glider permits users to greatly accelerate
18 the process, and then that leads to a
19 significantly shorter average subscription
20 period for gliders, Glider users.
21 What do you mean by that in particular, the
22 shorter -- it leads to a significantly shorter
23 average subscription period?
24 A So a typical person, in one of these games,
25 based on my, you know, experience in this area

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1 in guilds. I interact with students who play,
2 my colleagues who play.
3 And so based on that emersion in the
4 community, my sense is that a player who is
5 aware that some other character is somehow
6 unfairly getting ahead concludes that either
7 that player has some sort of unfair advantage, a
8 bot, or that I must not be playing this game
9 right. You will see sort of anguished outcry
10 from someone you know saying, why is it, you
11 know, how come everybody has got this specific
12 item, and every time I go to that cave I can't

13 get it, what am I doing wrong?
14 Q Have you ever actually asked a specific WoW
15 player -- I'll phrase it another way -- has a
16 WoW player ever told you -- no, strike that
17 again.
18 Has a potential WoW player ever told you
19 that they chose not to purchase or play the WoW
20 game because of the existence of bots?
21 A No.
22 Q And you said you've interviewed how many
23 players?
24 A Thousands -- well, players, in other words,
25 people in the game.

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1 Q Okay. Have you ever, did anybody ever say they
2 didn't want to play because of Glider in
3 particular?
4 A So the thought experiment here is I'm sitting
5 around with some people, and they say, I'm going
6 to quit because of Glider. You're asking me
7 whether that's ever happened?
8 Q I think it's kind of two questions. The first
9 is have you ever spoken to anyone who has said
10 they would not play Glider, or World of
11 Warcraft, because of the existence of bots?
12 A So in other words, this would be people who
13 don't currently play the game?
14 Q Who don't currently play the game.
15 A No, that's never happened.
16 Q So I would assume that also includes, then, no
17 one has ever said they wouldn't play because of
18 Glider.
19 A Yeah, I've never heard anyone, I've never had
20 that particular conversation, people saying I've
21 heard about World of Warcraft, but I'm not going
22 to play it and here's why. I can't recall ever
23 having that conversation.
24 Q Okay. Okay.
25 MR. VENABLE: Do you wanted to take a

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1 And so that's how I render this opinion.
2 That's the logic that I used to render this
3 opinion.
4 Everything we know about pricing is that
5 people respond to high prices negatively. And
6 these prices, as I later say in the paragraph,
7 the prices of gold are such that it's a not an
8 insignificant contribution to the monthly cost
9 of the World of Warcraft.
10 Q Just so that I'm clear, you haven't actually
11 conducted a study of WoW players to support the
12 fact that many of them cannot afford both the
13 gold and the WoW monthly subscription fee.
14 A I don't believe such a study would be necessary.
15 Q Have you ever interviewed any WoW players to
16 discuss this specific issue?
17 A Have I specifically discussed things or
18 interviewed -- no, I haven't.
19 Q Isn't it possible that, just perhaps, the

20 majority of WoW players simply don't care about
21 buying gold?
22 MR. GENETSKI: Object to the form.
23 A Yeah, I mean everything I understand about
24 economics points quite clearly to the following
25 relationship: When the effective cost of some

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1 But can you say that for sure is tied to
2 anything having to do with Glider?
3 A The gist of the sentence there was that people
4 are complaining about things that are not
5 obviously related to botting or Glider. But
6 where we have strong theoretical reasons to, you
7 know, deduce that these things, as problems, are
8 enhanced by the existence of Glider. So
9 inflation is an example.
10 Q Okay.
11 A So people complain about inflation, let's say,
12 and we have that complaint. That would, to me,
13 count as adding to the condemnation of Glider,
14 even though they don't say Glider there, because
15 Glider is a program that increases inflation.
16 Q Okay. But again, you've never done any study on
17 this.
18 A No.
19 Q You haven't interviewed any users of WoW to make
20 that determination, have you?
21 A No.
22 Q Okay. You also state at the end of that
23 paragraph, that "Blizzard is damaged indirectly
24 to the extent that the reputation of WoW
25 suffers, and fewer players enter the game as a

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1 be one factor that may contribute to the demise
2 of World of Warcraft.
3 A Yes, absolutely, sure.
4 THE VIDEOGRAPHER: We have about five
5 minutes left.
6 MR. VENABLE: Okay. I've got one little
7 quick question that should be able to wrap up in
8 five minutes.
9 Q Look on page 20 of your report. You stated
10 that, at the very top, quote, "Grasping this,
11 players who oppose botting have begun to quit in
12 disgust." Okay?
13 A Um-huh.
14 Q Now, have you ever done any study to make the
15 determination whether people are quitting,
16 quote, "in disgust"?
17 A No.
18 Q Interview any people who have quit the game in
19 disgust?
20 A As I've referenced earlier, these judgments are
21 based on the data that we have.
22 Q Okay. Has there ever been a mention of these
23 people, or in this data, of the level of their
24 disgust?

25 A Well, there's certainly a lot of disgust

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1 expressed in the 300,000 complaints, and on
2 forum posts, places like that.
3 When people say they are opposed to
4 botting, and they don't like bots, they don't
5 just say, "Wow, what an annoying thing," they
6 say it's a disgusting violation of what this
7 game is supposed to be. So it's pretty intense.
8 Q Okay.
9 MR. VENABLE: It's a good place to stop
10 right here, down to five pages in my outline.
11 THE VIDEOGRAPHER: We're going off the
12 record. The time is 3:47 p.m.
13 (A discussion was held off the record.)
14 THE VIDEOGRAPHER: This is the beginning of
15 tape 5. The time is 3:52 p.m. And we are back
16 on the record.
17 Q Are you all set?
18 A Yeah.
19 Q Okay. Let's now go on to Section 7, under
20 "Monetary estimates of the damage of Glider
21 botting."
22 At the bottom of page 20 of your report,
23 you state that "The casual player might be
24 expected to play an average of two hours per
25 day." Is that correct?

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1 A Um-huh.
2 Q How did you arrive at that number?
3 A Okay. So surveys show that average players are
4 somewhere in the, you know, three to five hours
5 a day level. So a casual player would be
6 defined as, you know, something below that.
7 Q Okay.
8 A That's how often I play, about two hours a day,
9 when I play those games.
10 Q And again, you stated that Glider as a bot has
11 the ability to play for 24 hours a day.
12 A Yeah, my understanding is that it can be
13 deployed that way.
14 Q Okay. Does your, does your model here assume
15 that Glider users are actually playing the game
16 24 hours a day?
17 A So this is an illustrative calculation. It
18 assumes, let's say you have a casual player who
19 would play two hours a day, and how much time it
20 would take them to get to the top level, versus
21 someone who is using a Glider bot running 24
22 hours a day.
23 As an illustrative calculation, there's no
24 implied inference here that, you know, X percent
25 of the people who have Glider are using it in

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1 are leaving their account idle.
2 Q And these are people who you would say are
3 playing the game without a bot or a Glider

4 program?
5 A Yeah. The purpose of the calculation is, let's
6 take a casual player who is not using a bot; how
7 long does it take them to level up; and how does
8 that compare to someone using a bot intensively;
9 what does that do to the amount of subscription
10 revenue that Blizzard gets.
11 Q Okay. Now, you also stated that a Glider player
12 can shorten the time that it takes to get to
13 level 70 by seven months over a player who plays
14 just two hours per day, correct?
15 A Yeah, in this illustration, it, you know,
16 someone running the bot that intensively would
17 get to the top level in seven months or less
18 time.
19 Q Have you ever spoken to any WoW player who has
20 made it to at least 70 in less than a month
21 using Glider?
22 A No, I haven't.
23 Q Have you ever heard of someone that has done it
24 in less than a month, using Glider?
25 A I have actually seen some very, very strong

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1 claims on Glider affiliate sites where they say
2 things like, you know, check it out, level 1 to
3 level 70 in just two days, or something
4 ridiculous like that.
5 So I have actually seen claims that are
6 even more extreme than what I've seen here. So
7 when you ask me have I heard of such claims,
8 yes, I have.
9 Q Okay. Now, as far as those claims go, do you
10 have any way to confirm that those are actually
11 true assertions?
12 A No. Well, I do have a way, but I haven't
13 executed -- the way would be to find a person
14 and see them actually do it. But I have not
15 actually done that.
16 Q Okay. I'd like to hand you -- I was going to
17 use Exhibit 5, and I'm going to just -- can I
18 skip right to Exhibit 6?
19 (Deposition Exhibit 6 was marked for
20 identification.)
21 Q I've just handed you what has been marked as
22 Exhibit 6. And I'd like to have you take a look
23 at it really quick.
24 A Anything in particular?
25 Q I'd like you to take a look specifically at the

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1 for using multiple accounts that regular players
2 do, like when you're running two accounts, you
3 can run your own team.
4 Q So again, the person who uses more than one
5 World of Warcraft account is then paying X times
6 the number of accounts in revenue to Blizzard
7 every month; is that correct?
8 A And someone using Glider on two accounts is
9 causing twice the damages.
10 Q Well, I didn't say they were using Glider on

11 twice the accounts. I said they were using --
12 they had more than one account. What if they're
13 using Glider on one account, but playing the
14 other character legitimately?
15 A Okay. So I would say the legitimate player is
16 not contributing to the damages, so the botter
17 who uses a legitimate player is contributing in
18 a healthy way to World of Warcraft, and the
19 botter who is using the second account to bot
20 with is causing damages.
21 Q Okay. On page 22 of your report, in the middle
22 paragraph, you state that "The total social cost
23 of gold selling in particular is about 1.8
24 million dollars per 100,000 users."
25 A Um-huh.

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1 Q How do you arrive at that number?
2 A Okay. So this is the result of a theoretical
3 model that I developed before this case ever
4 happened. And the purpose of this model is to
5 investigate what the reasonable effects of any
6 kind of cheating behavior might be on a
7 massively multiplayer game.
8 The example that I took in this case is the
9 example of gold selling. Building off the
10 theory of the Tragedy of the Commons and the
11 external effects of such cheating behavior, we
12 can determine that there are costs to others.
13 The costs to others -- so basically we have
14 a market where people are buying and selling
15 gold, or in this case buying and selling Glider,
16 and there's some impact on others. The others
17 that we need to pay attention to are certainly
18 the players of the games, but in this case all
19 we're concerned about is the folks who run the
20 games, the supply side, Blizzard.
21 The way you arrive at this sort of a
22 number -- and by the way, let me say the purpose
23 of this model is to encapsulate all the things
24 we have been talking about today. So we have
25 been talking about this cost effect and this

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1 revenue effect. This model is intended to be a
2 comprehensive view of the overall impact of a
3 cheating behavior on supply and demand and the
4 well-being of people in this market. Okay.
5 So if you look on the supply side, what the
6 model assumes, and this is a standard practice
7 in the cost/benefit analysis, is, you say, okay,
8 well, you know, what do we know about the
9 market, and can we come up with some plausible
10 parameters of how this market responds to things
11 like cheating.
12 So what the model assumes, basically, is
13 that a one percent increase in Glider's, Glider
14 use, would result in a one-twentieth of a
15 percent impact on the supply and demand for
16 World of Warcraft.
17 Based on that impact, we then can derive an

18 effect on the demanders, but we can neglect that
19 because what we care about here is the damages.
20 So the damages on Blizzard come from two
21 sources. No. 1, there's a reduction in the
22 revenues that Blizzard gets; No. 2, there's an
23 increase in costs that Blizzard must expend.
24 What really matters to Blizzard is profits,
25 so on the supply side there's a concept called

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1 producer surplus, which is roughly equivalent to
2 profits. Profits are determined by revenues
3 minus costs.
4 And so this, this external effect comes
5 from a, as I said, a one percent increase in
6 Glider causes a one-twentieth of a percent
7 weakening in demand and a one-twentieth of a
8 percent increase in Blizzard's costs. That's
9 sort of the hypothetical, plausible assumption.
10 When Blizzard's -- let's see, from your
11 standpoint -- when Blizzard's costs go up,
12 there's impact in terms of the cost going up;
13 and when the demand goes down, there's impact in
14 terms of revenues going down. And the model
15 calculates what those effects are.
16 I can continue to talk about what I thought
17 were the plausible parameters, and where the
18 numbers come from, or do you want to --
19 Q Well, I was going to ask you, you said that this
20 was something you did before you got this case?
21 A Yes.
22 Q Is there -- is this a paper that you wrote?
23 A Yes.
24 Q Is it possible we could get that paper? Or is
25 it --

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1 A I believe you already have it. My reading of
2 the rebuttal report, the rebuttal report relied
3 extensively on this paper, and seemed to have --
4 Q I don't have it. Maybe my --
5 MR. GENETSKI: We can obviously, I think it
6 is probably available, isn't it?
7 THE WITNESS: Oh, yeah, it is published in
8 a refereed journal.
9 MR. VENABLE: That's all I wanted to know.
10 I just wanted to know, what was the source of
11 it.
12 Q But specifically with regard to this model, I
13 mean, you're talking about the gold selling.
14 A Right.
15 Q And again, are you attributing, or I should say,
16 how much of this are you actually attributing to
17 Glider users?
18 A Well, okay, so the model is a general model.
19 All right. It is supposed to be a general model
20 of trying to put bounds on damages when you have
21 some kind of cheating behavior.
22 In the paper we refer to gold selling, we
23 don't refer to Glider. We, that's the royal,
24 when I say, I don't refer to Glider, I refer to

25 gold selling. But it is an applicable case. It

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1 is referencing any kind of behavior that puts
2 damages on the people who make games and the
3 people who play them. And Glider is certainly
4 in that class.
5 Q So does this model take into account that there
6 are certainly other people who farm or sell gold
7 that don't use Glider or another bot?
8 A Yes, yes. Again, this is a general model that
9 would apply to any behavior that causes external
10 damages to the people who provide games and the
11 people who play them.
12 Q Okay. Let's go to page 23.
13 You state at the top there, that "In my
14 judgment, the response of botting, the response
15 to botting of World of Warcraft demand and
16 supply is greater than that assumed in this
17 analysis."
18 A Where is the sentence?
19 MR. GENETSKI: What page?
20 MR. VENABLE: I'm sorry, it's at the bottom
21 of page 23.
22 A Oh. "In my judgment, the response to botting in
23 World of Warcraft's demand and supply is greater
24 than that assumed in this analysis."
25 So as I said before, the response that I