ROPES & GRAY LLP Gregg M. Galardi D. Ross Martin Joshua Y. Sturm Jonathan M. Agudelo 1211 Avenue of the Americas New York, NY 10036-8704 Telephone: (212) 596-9000 Facsimile: (212) 596-9090

Counsel to the Plan Administrator for the Debtors

## UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11

Gawker Media LLC, et al., 1 : Case No. 16-11700 (SMB)

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Debtors. : (Jointly Administered)

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### DECLARATION OF GREGG M. GALARDI SUBMITTING CERTAIN DOCUMENTATION RECEIVED FROM ALADAR BALDAUF

- I, Gregg M. Galardi, make this Declaration, under penalty of perjury pursuant to 28 U.S.C. § 1746, and hereby declare as follows:
- 1. I am a partner of the firm of Ropes & Gray LLP, counsel to the Plan Administrator for the Debtors (the "<u>Debtors</u>") in the above-captioned chapter 11 cases. I am a member in good standing of the Bar of the State of New York, and I have been admitted to practice in the United States Bankruptcy Court for the Southern District of New York. There are no disciplinary proceedings pending against me.

<sup>&</sup>lt;sup>1</sup> The last four digits of the taxpayer identification number of the debtors are: Gawker Media LLC (0492); Gawker Media Group, Inc. (3231); and Gawker Hungary Kft. (f/k/a Kinja Kft.) (5056). Gawker Media LLC and Gawker Media Group, Inc.'s mailing addresses are c/o Opportune LLP, Attn: William D. Holden, Chief Restructuring Officer, 10 East 53rd Street, 33rd Floor, New York, NY 10022. Gawker Hungary Kft.'s mailing address is c/o Opportune LLP, Attn: William D. Holden, 10 East 53rd Street, 33rd Floor, New York, NY 10022.

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2. I submit this declaration in connection with documentation received from Aladar

Baldauf. I have personal knowledge of the matters set forth herein.

3. On March 16, 2017 at 7:21 p.m. (ET), I received an email with an attachment

from "Vállalkozók Szövetsége." The email was signed by Aladar Baldauf. The email and the

attachment are attached hereto as Exhibit A.

I declare under penalty of perjury that, to the best of my knowledge and after

reasonable inquiry, the foregoing is true and correct.

Dated: April 14, 2017

New York, New York

/s/ Gregg M. Galardi

Gregg M. Galardi

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Email with Attachment from Vállalkozók Szövetsége March 16, 2017 at 7:21 p.m. (ET)

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From: Sent: To: Subject: Attachments:	Vállalkozók Szövetsége <ugyintezes.azonnal@gmail.com> Thursday, March 16, 2017 7:21 PM Galardi, Gregg; Walkingshaw, Peter; Agudelo, Jonathan Kinja 2x35.000 USD (Baldauf) Kinja-US2.pdf</ugyintezes.azonnal@gmail.com>
Importance:	High
Victor, Mr Garaldi,	
Please, find enclosed my	statement/respond regarding the claim in case of Kinja Kft.
Do I have to mail by post	t, too?
Please, advice.	
Sincerely	
Aladár Baldauf	
Címzett: Vállalkozók Sze CC: Galardi, Gregg	000 USD (Baldauf)
Címzett: Vállalkozók Sz	.000 USD

16-11700-smb Doc 859-1 Filed 04/14/17 Entered 04/14/17 12:16:44 Exhibit A - Email with Attachment Pg 3 of 10 (SRazek@opportune.com) <SRazek@opportune.com>, Agudelo, Jonathan <Jonathan.Agudelo@ropesgray.com>

### Aladar,

Thank you for your inquiry below. Prime Clerk LLC is the appointed notice and claims agent in the chapter 11 cases of Gawker Media, LLC.

On 02/03/2017, objections were filed against both of your claims (No. 326 and No. 332). Please refer to the Notice of Objection on both claims (see below):

Creditor Baldauf, Alada Debtor Name Gawker Hunga Schedule Num	ary Kft. (f/k/a Kinja Kft.)	Date Filed 11/15/2016 Claim Number 326 Proof of Claim  ■ View PDF ■ Email PDF			
	Schedule Amount C*U*D*	Asserted Claim Amount C*U*F*	Current Claim Value	: Claim Status	
General Unsecured		\$35,000.00	\$35,000.00	Pending Objection	
Priority					
Secured					
503(b)(9) Admin Priority					
Admin Priority					
Total	\$0.00	\$35,000.00	\$35,000.00		
*C=Contingent Objecti Date Filed 02/03/2017		ate Filed Objection Order	Basis No Liabil	Status ity Pending	

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Creditor Baldauf, Aladar Debtor Name Gawker Hungar Schedule Numb	ry Kft. (f/k/a Kinja Kft.)	Date Filed 11/30/2016 Claim Number 332 Proof of Claim View PDF Email PDF			
	Schedule Amount C*U*D*	Asserted Claim Amount C*U*F*	Current Claim Value	Claim Stat	
General Unsecured					
Priority					
Secured					
503(b)(9) Admin Priority					
Admin Priority		\$35,000.00	\$35,000.00	Pending Objection	
Total	\$0.00	\$35,000.00	\$35,000.00		
*C=Contingent, Objection	U=Unliquidated, D=Disputed, I	F=Foreign			
			Basis		

You may view the notices by searching your claims on our website here:

https://cases.primeclerk.com/gawker/Home-ClaimInfo

The notices outline the procedures to respond to the objections. <u>If you wish to respond to the Debtors'</u> <u>objections, you must follow these procedures and *E* -mails cannot be taken as a response to the <u>objections.</u> You may wish to consult with a legal advisor for further assistance.</u>

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-	lanca aantaat	110 11 1	TIOH HOTIO	turthar	annotione o	hout th	ne restructuring.

Regards,

Victor

Victor G. Vazquez vvazquez@primeclerk.com Prime Clerk

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830 Third Avenue, 9<sup>th</sup> Floor New York, NY 10022 646-660-9677office primeclerk.com

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Baldauf Aladár

1139–Budapest, Semmelweis u. 5. Tel.: +3670 3989160

To whom it may concern

Budapest, February 27, 2017

Dear Madam,

Dear Sir,

A claim against Kinja Kft. has maintained.

Online newspaper of Kinja used own personal photo about me without any licence or authority (Infringement of the right of personal portrayal).

I brought a lawsuit in Budapest, Hungary according to the official address of debtor. Because among others copyright violated by Kinja. The judgement-at-law is beneficiary to me by Budapest-Capital Regional Court of Appeal (Fővárosi Ítélőtábla). Judgment date: April 26, 2016, no.: 1.Pf.21.458/2015/4/II.

Date of Claim: September 30, 2015.

My rights to my personal portrayal of the image using material produced by me without permission. Therefore the rights violated by Kinja Kft.

The court ordered the defendant to immediately remove the image. The decision of the Court based on – not limited to – the Hungarian **Act V of 2013 on the Civil Code** of 2:51. §. (1) a).

In case of Kinja Kft. with the judgment became final on 30 September 2015, however, the picture removed from the website only after the decision is six months, which is another violation.

I demanded written on 05/03/2016 and 2016 11/16/2016 Kinja to provide information on things or services affected by the infringement of production, distribution and performance of the participants, with the unlawful use of business relations; enrichment obtained by the infringement of reimbursement; grievance and awards, as well as reimbursement of the actual law and legal costs, etc.

The Act V of 2013 on the Civil Code of Hungary provides:

Section 2:42:

[Protection of rights relating to personality]

- (1) Everyone is entitled to freely practice his personality rights within the framework of the law and within the rights of others, and to not be impeded in exercising such right by others.
- (2) Human dignity and the related personality rights must be respected by all. Personality rights are protected under this Act.

Section 2:43

[Specific personality rights]

The following, in particular, shall be construed as violation of personality rights:

g) any breach of the right to facial likeness and recorded voice.

Section 2:48

[Right to facial likeness and recorded voice]

(1) The consent of the person affected shall be required for producing or using his/her likeness or recorded voice.

The following clearly state that "the rules on liability for damages shall apply, with the proviso that apart from the fact of the infringement no other harm has to be verified for entitlement to restitution." The above mentioned judgment of Budapest-Capital Regional Court of Appeal (Fővárosi Ítélőtábla) ruled that it was unlawful to use the picture.

Thereafter, the legislation reads as follows:

# SANCTIONS FOR VIOLATIONS OF RIGHTS RELATING TO PERSONALITY

Section 2:51

[Sanctions independent of attributability]

- (1) A person whose personality rights have been violated shall have the right to demand within the term of limitation based on the infringement as appropriate by reference to the circumstances of the case:
- a) a court ruling establishing that there has been an infringement of rights;
- b) to have the infringement discontinued and the perpetrator restrained from further infringement;
- c) that the perpetrator make appropriate restitution and that the perpetrator make an appropriate public disclosure for restitution at his own expense;
- d) the termination of the injurious situation and the restoration of the previous state, and to have the effects of the infringement nullified or deprived of their unlawful nature:
- e) that the perpetrator or his successor surrender the financial advantage acquired by the

infringement according to the principle of unjust enrichment.

Section 2:52

[Restitution]

- (1) Any person whose rights relating to personality had been violated shall be entitled to restitution for any non-material violation suffered.
- (2) As regards the conditions for the obligation of payment of restitution such as the definition of the person liable for the restitution payable and the cases of exemptions the rules on liability for damages shall apply, with the proviso that apart from the fact of the infringement no other harm has to be verified for entitlement to restitution.

Section 2:53

[Liability for damages]

Any person who suffers any damage from the violation of his personality rights shall have the right to demand compensation from the infringer in accordance with the provisions on liability for damages resulting from unlawful actions.

Publishing unauthorized pictures according to the current legislation infringed my copyright as well by Kinja according to the **Act LXXVI of 1999 on Copyright**.

According this act Kinja should have asked permission (in writing) to use the images for publishing.

Act LXXVI of 1999 on Copyright

Article 4

- (1) Copyright shall belong to the person who has created the work (author).
- (2) Without prejudice to the rights of the author of the original work, the adaptation, arrangement or translation of another author's work shall be under copyright protection, provided that it is of individual and original nature.

Making the work public

Article 10

- (1) The author shall decide whether his work may be made public.
- (2) Before making the work public, any information on its substantial content may be provided for the public only subject to the author's consent.

General provisions relating to economic rights

Article 16

(1) By virtue of copyright protection, the author shall have the exclusive right to use his entire work or an identifiable part thereof in any tangible or intangible form and to authorise each and every such use. Unless otherwise

stipulated in this Act, authorisation may be obtained for the use of the work by a licence agreement.

(6) A use shall be deemed unauthorised, in particular, if no authorisation has been given therefor by provisions of any act or by the author in a contract, or if the user makes use of the work beyond the limitations of his authorisation.

#### Article 23

- (1) The author shall have the exclusive right to distribute his work and to authorise others therefor. Making accessible to the public of the original copy or the reproduced copies of the work through putting into circulation or offering for putting into circulation shall be regarded as distribution.
- (2) The distribution shall, in particular, imply the assignment of ownership and the rental of the copy of the work as well as the importation of the copy of the work into the country with the purpose of putting it into circulation. The possession of an infringing copy of a work for commercial purposes shall also be regarded as an infringement of the right of distribution if the possessor is aware of, or, with proper circumspection in the given case, should be aware of, the fact that the copy is the result of infringement.

### Civil law consequences

#### Article 94

- (1) If his rights are infringed, the author may in accordance with the circumstances of the case have recourse to the civil law remedies as follows, claiming:
- c) that the infringer make amends for his action by a statement or in some other appropriate manner, and, if necessary, that such amends should be given appropriate publicity by and at the expense of the infringer;
- d) that the infringer provide information on parties taking part in the production, distribution or performance of goods or services affected by the infringement, as well as on business relationships established for the infringing acts;
- e) the recovery of the enrichment achieved via the infringement;
- f) the injurious state of affairs be terminated, the antecedent state of affairs be restored, the seizure of materials and devices used exclusively or primarily for the infringement, as well as the seizure of goods resulted from the infringement or the delivery thereof to a particular person, or the recall or definitive removal thereof from commercial circulation, or the destruction thereof.
- (2) In the event of copyright infringement, the author may also claim damages under the

rules of civil liability. In the event of infringement of moral rights specified in this Act, the author may demand relief for moral damages in accordance with the provisions on general rules of civil law.

As can be seen from the above, it violated a number of laws, when Kinja used my owned image without permission.

My claim is correct legally and not exaggerated.

Obviously, the extent of the claim is appropriate scope of the infringement, but the US is much higher claims accepted by the court cases on this subject.

The referred document(s) submitted.

The referred law(s):

- Act LXXVI of 1999 on Copyright of Hungary

(sorce of law: official website of Hungarian Intellectual Property Office http://www.hipo.gov.hu/English/jogforras/hungarian\_copyright\_act.pdf

- Act V of 2013 on the Civil Code of Hungary

(source of law: https://tdziegler.files.wordpress.com/2014/06/civil\_code.pdf

I request the honorable court to take into consideration, I take part in the procedure(s) without legal representation in the United States.

Sincerely yours,

Aladar Baldauf