

EXHIBIT RR

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15 UNITED STATES DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA
17 SOUTHERN DIVISION

18 SERENA FLEITES,

19 Plaintiff,

20 v.

21 MINDGEEK S.À R.L.; MG
22 FREESITES, LTD; MINDGEEK USA
23 INCORPORATED; MG PREMIUM
24 LTD.; MG GLOBAL
25 ENTERTAINMENT INC.; 9219-5618
26 QUEBEC Inc.; BERND BERGMAIR;
27 FERAS ANTOON; DAVID TASSILLO;
28 COREY URMAN; VISA INC.;
COLBECK CAPITAL DOES 1-5;
BERGMAIR DOES 1-5

Defendants.

CASE NO. 2:21-CV-04920-CJC-ADS

Judicial Officer: Cormac J. Carney
Courtroom: 9B

**DECLARATION OF ANDREAS
ALKIVIADES ANDREOU IN
SUPPORT OF THE MINDGEEK
DEFENDANTS' MOTION TO
DISMISS**

Hearing: August 8, 2022
Time: 1:30 p.m.

1 I, Andreas Alkiviades Andreou, hereby declare as follows:

2 1. I am employed by MG CY Holdings Ltd as Director of Corporate
3 Finance, a position which I have held since 2013. I have also served as a Class A
4 manager (the equivalent of a director) for MindGeek S.à r.l. since 2016.

5 2. Through my employment and experience, I am familiar with the
6 corporate structure and operations of the MindGeek corporate entities named in
7 Plaintiff's Amended Complaint – MindGeek S.à r.l., MG Freesites Ltd, MindGeek
8 USA Incorporated, MG Premium Ltd, MG Global Entertainment Inc. and 9219-
9 1568 Quebec Inc. (the “MindGeek corporate entities”) – since 2014, the year
10 Plaintiff alleges she learned a video depicting her had been uploaded to Pornhub, a
11 website operated by MG Freesites Ltd. Almost every day since 2016, as part of my
12 regular job responsibilities, I have dealt and continue to deal with issues involving
13 the corporate structure of these legal entities and their affiliates (collectively
14 “MindGeek”) in some capacity and therefore have personal knowledge of their
15 corporate histories.

16 PLAINTIFF’S ALLEGATIONS ABOUT CORPORATE IMPROPRIETIES ARE
17 BASELESS.

18 3. I have reviewed the Amended Complaint filed in the instant action and
19 am familiar with the allegations made regarding the structure and operations of the
20 MindGeek corporate entities. The allegations about MindGeek comprising sham
21 companies or a sham structure are baseless.

22 4. I understand Plaintiff claims MindGeek’s corporate operations are
23 illegal based upon the opening and closing of entities. *See* Am. Compl. ¶¶ 11, 41,
24 131-140. However, this is a common business activity and certainly not indicative
25 of wrongdoing by MindGeek. While MindGeek need not justify every corporate
26 reorganization since 2014, each change to the corporate structure was for a
27 legitimate business purpose. In many instances, the purpose of the change is self-
28 evident; for example, creating an entity to acquire the business of another, or

1 dissolving an entity when it no longer functions or when its functions can be
2 performed readily by another entity.

3 5. MindGeek S.à r.l., provides a clear example. Prior to 2014, MindGeek
4 S.à r.l. was created specifically to acquire the business of Manwin Holding S.à r.l.
5 In that transaction, MindGeek S.à r.l. acquired shares in an entity called Manwin
6 RK S.à r.l. from Manwin Holding S.à r.l., the seller, thereby obtaining indirect
7 ownership interests in the seller's subsidiaries. Since that time, MindGeek S.à r.l.
8 has remained a holding company for various subsidiaries comprising the business
9 of MindGeek, including the other entities named as Defendants.

10 6. The names and number of entities comprising the MindGeek business
11 have naturally changed since 2014, each for legitimate business reasons. For
12 example, in connection with the acquisition described above, MindGeek essentially
13 rebranded the Manwin business to avoid confusion. In that regard, Defendant
14 MindGeek USA Incorporated was renamed to eliminate the reference to Manwin in
15 its prior name, Manwin USA Incorporated. Although certain Manwin subsidiaries
16 did not have Manwin in their names, changes to some names were made to reflect
17 changes to the business. For example, Defendant MG Global Entertainment Inc.
18 used to be named Playboy Plus International Inc., but MindGeek changed that name
19 when its agreement to use the name "Playboy" expired. At that time, the business
20 no longer included running Playboyplus.com (under a digital license agreement) or
21 offering Playboy-branded programming to television-based businesses, including
22 cable operators, hotels and cruise ships, but focused instead on offering different
23 adult programming to such businesses.

24 7. The structure of the MindGeek business is like that of many global
25 organizations. Specifically, MindGeek has companies organized and existing under
26 the laws of multiple jurisdictions where it has assets, operates businesses, or
27 provides services for those business. The MindGeek corporate entities, for
28 example, are organized and exist separately under the laws of Luxembourg, Cyprus,

1 Canada and the United States. When MindGeek S.à r.l. acquired the Manwin
2 business, the entities comprising that business spanned those and other
3 jurisdictions.

4 8. MindGeek’s corporate structure reflects MindGeek’s different lines of
5 business. Relevant here is the “tubesite business,” which most notably includes
6 “Pornhub,” a website that offers non-subscription content. As is true with
7 MindGeek’s other lines of business, the tubesite business is associated with an
8 operating company. Specifically, Defendant MG Freesites Ltd is responsible for
9 operating Pornhub. That entity, in turn, relies upon the services of other entities,
10 including Defendant 9219-1568 Quebec Inc.

11 9. Plaintiff’s allegations regarding the financial operations of the
12 MindGeek corporate entities are inaccurate and misleading. As discussed below,
13 each of the Defendants is separate from the others and has its own bank accounts.
14 Since at least 2014, insofar as one Defendant has provided certain services to
15 another, the entity receiving services has paid the entity providing the services
16 pursuant to the terms of a written agreement. The charges for such services have
17 generally been on a “cost plus” or “mark up percentage” basis, meaning that the
18 service provider is reimbursed for the cost of providing the service and paid an
19 additional amount representing a percentage of the cost on top. To determine how
20 much is paid on top of the cost reimbursement, in situations where an entity in one
21 jurisdiction provides services to an entity in another, MindGeek has engaged third
22 parties to conduct transfer pricing studies. Those studies are used to determine
23 price ranges for the services at issue in the relevant market and ensure that
24 intercompany charges are accounted properly for tax purposes.

25 10. For the years 2014 through at least 2018, Defendant MindGeek S.à r.l.
26 has had its consolidated financial statements audited by independent accounting
27 firms. During the same period, the other Defendants that are legally required to be
28 audited on an individual company basis have also been audited in compliance with

1 applicable law. They and MindGeek S.à r.l. have filed their tax returns and paid all
2 taxes due for the tax years through 2018. The other Defendants that are not required
3 to be audited on an individual company basis, MindGeek USA Inc., MG Global
4 Entertainment Inc., and 9219-1568 Quebec Inc., have filed their tax returns and
5 paid all taxes due to date.

6 EACH DEFENDANT OBSERVES THE REQUIRED CORPORATE
7 FORMALITIES.

8 11. The MindGeek Defendants have not operated and do not operate as a
9 single business entity but instead have existed and operated as distinct legal entities
10 since before at least 2014.

11 12. MindGeek S.à r.l. is and has been since October 2013, a private
12 limited liability company (société à responsabilité limitée) incorporated under the
13 laws of Luxembourg, having its registered office at 32, boulevard Royal, L-2449
14 Luxembourg and registered with the Luxembourg Register of Commerce and
15 Companies (R.C.S. Luxembourg) ("RCS") under number B 181337.

16 13. MindGeek S.à r.l. has served during the relevant period as the ultimate
17 parent corporation of MG Freesites Ltd, MindGeek USA Incorporated, MG
18 Premium Ltd, MG Global Entertainment Inc., and 9219-1568 Quebec Inc.

19 14. MindGeek S.à r.l. has been and is nothing more than a holding
20 company, without any employees or operations of its own. MindGeek S.à r.l. has
21 never had any offices or employees in the State of California, let alone the United
22 States. MindGeek S.à r.l. has never exercised control over the day-to-day
23 operations of the other MindGeek corporate entities.

24 15. MindGeek S.à r.l. has been during the relevant period adequately
25 capitalized, both possessing its own bank accounts and serving as a party to and
26 responsible for fulfilling its own contracts. MindGeek S.à r.l. has always had the
27 equivalent of its own designated board of directors, referred to as a board of
28

1 managers, and observes all necessary corporate formalities. The current members
2 of the board of managers are Anis Baba, Claude Favre and myself.

3 16. MG Freesites Ltd, formerly D.C.I. Capital Investments Limited, is and
4 has been since before 2014 a limited liability company organized and operating
5 under the laws of the Republic of Cyprus, having its head office at 195-197 Old
6 Nicosia-Limassol Road, Block 1 Dali Industrial Zone, Cyprus. Since this entity
7 was acquired by MindGeek, it has been known as MG Freesites Ltd.

8 17. MG Freesites Ltd has during the relevant period been responsible for
9 operating tubesites, including Pornhub. MG Freesites Ltd has also operated
10 associated websites, including “Pornhub Premium,” which offer certain
11 subscription content. In addition, MG Freesites Ltd operates the ModelHub
12 program and Content Partner Program.

13 18. MG Freesites Ltd has not during the relevant period ever had any
14 offices or employees in the State of California, or in the United States.

15 19. MG Freesites Ltd has during the relevant period been adequately
16 capitalized, both possessing its own bank accounts and serving as a party to and
17 responsible for fulfilling its own contracts. MG Freesites Ltd also has had during
18 the relevant period the equivalent of its own designated board of directors, referred
19 to as a board of managers, and observes all necessary corporate formalities. The
20 current members of the board of managers are Anis Baba, Constantine Georgoude,
21 Charme Management Ltd and myself.

22 20. MindGeek USA Inc., formerly Manwin USA, Inc., is and has been
23 since at least 2014, a corporation incorporated under the laws of the State of
24 Delaware, having its principal executive office in California. The current address
25 of that office is 21800 Oxnard Street, Suite 150, Woodland Hills, California 91367
26 United States of America.

27 21. MindGeek USA Incorporated’s sole function during the relevant
28 period has been to distribute DVD-based content pursuant to the terms of one

1 contract. MindGeek USA Incorporated has not created, solicited, posted, managed,
2 or had any other involvement with the website content at issue in the instant case.

3 22. MindGeek USA Incorporated has during the relevant period been
4 adequately capitalized, both possessing its own bank accounts and serving as a
5 party to and responsible for fulfilling its own contracts. MindGeek USA
6 Incorporated also has had during the relevant period its own designated board of
7 directors and observed all necessary corporate formalities. Currently, the sole
8 director of MindGeek USA Incorporated is Andrew Link.

9 23. MG Premium Ltd, formerly Froytal Services Ltd, is and has been since
10 before 2014 a limited liability company organized and operating under the laws of
11 the Republic of Cyprus, having its head office at 195-197 Old Nicosia-Limassol
12 Road, Block 1 Dali Industrial Zone, Cyprus.

13 24. MG Premium Ltd is and has been since at least 2014 responsible for
14 operating websites referred to as “paysites,” which offer certain subscription-based
15 content. MG Premium Ltd does not operate Pornhub or Pornhub Premium, the
16 ModelHub program or the Content Partner Program. MG Premium Ltd has not
17 created, solicited, posted, managed, or had any other involvement with the website
18 content at issue in the instant case. MG Premium Ltd also holds intellectual
19 property rights to certain content that is not alleged to have anything to do with
20 Plaintiff.

21 25. MG Premium Ltd has not during the relevant period ever had any
22 offices or employees in the State of California, or in the United States.

23 26. MG Premium Ltd has during the relevant period been adequately
24 capitalized, both possessing its own bank accounts and serving as a party to and
25 responsible for fulfilling its own contracts. MG Premium Ltd also has had during
26 the relevant period the equivalent of its own designated board of directors and
27 observes all necessary corporate formalities. The current members of the board of
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1 managers are Anis Baba, Constantine Georgoude, Charme Management Ltd and
2 myself.

3 27. MG Global Entertainment Inc., formerly Playboy Plus Entertainment
4 Inc., is and has been since before 2014 a corporation incorporated under the laws of
5 the State of Delaware, having its principal executive office in California. The
6 current address of that office is 21800 Oxnard Street, Suite 150, Woodland Hills,
7 California 91367 United States of America.

8 28. MG Global Entertainment Inc. has during the relevant period run
9 Playboyplus.com (under a digital license agreement) and provided content to
10 television-based businesses, with a focus on cable operators, hotels, and cruise
11 ships, among other content providers.

12 29. MG Global Entertainment Inc. has also during the relevant period
13 provided limited support services to other MindGeek corporate entities. As
14 discussed in more detail above, those services have been and are provided pursuant
15 to written agreements that respect the separateness of the service provider and the
16 service receiver. Currently, three employees of MG Global Entertainment Inc. have
17 responsibilities for Trust and Safety on MindGeek websites, including the tubesites.
18 None have or have had any responsibility for moderation of content before it is
19 uploaded to the tubesites or are alleged to have had anything to do with Plaintiff.

20 30. MG Global Entertainment Inc. has during the relevant period been
21 adequately capitalized, both possessing its own bank accounts and serving as a
22 party to and responsible for fulfilling its own contracts. MG Global Entertainment
23 Inc. also has had during the relevant period its own designated board of directors
24 and observed all necessary corporate formalities. Currently, the sole director of
25 MG Global Entertainment is Andrew Link.

26 31. 9219-1568 Quebec Inc. is and has been since before 2014 a corporation
27 organized and operating under the laws of the Province of Quebec, Canada, having
28 its head office at 7777 Decarie Boulevard, Montreal, Quebec H4P-2H2.

1 32. 9219-1568 Quebec Inc. has during the relevant period been a service
2 provider to MG Freesites Ltd and other affiliates. As discussed in more detail
3 above, those services have been and are provided pursuant to written agreements
4 that respect the separateness of the service provider and the service receiver.

5 33. 9219-1568 Quebec Inc. has not had during the relevant period any
6 offices in the State of California, or in the United States. It previously had two
7 employees in the United States, not in California, who provided services to
8 MindGeek's paysite businesses, not to MindGeek's tubesites, which are at issue in
9 this litigation.

10 34. 9219-1568 Quebec Inc. has during the relevant period been adequately
11 capitalized, both possessing its own bank accounts and serving as a party to and
12 responsible for fulfilling its own contracts.

13 35. 9219-1568 Quebec Inc. also has had during the relevant period its own
14 designated board of directors and observed all necessary corporate formalities. The
15 current members of the board of directors are Feras Antoon, Constantine
16 Georgoude, Polina Hadjivasilliou, David Tassillo and myself.

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

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4 Date: May 23, 2022

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Andreas Alkiviades Andreou