

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

AF HOLDINGS LLC., ) Case No. 2:12-cv-14442  
 ) Hon. Gershwin A. Drain  
 Plaintiff, )  
 vs. )  
 )  
 MATTHEW CICCONE, )  
 )  
 Defendants. )

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**NOTICE OF SUPPLEMENTAL INFORMATION DEMONSTRATING AF HOLDINGS  
SHAM OPERATION AND ORGANIZATIONAL STRUCTURE**

Counsel for several of the intervening parties has obtained a recent deposition transcript (attached hereto as exhibit 1) of AF Holding, LLC's ("AF Holdings") corporate 30(b)(6) representative which sheds additional light on its organizational structure and operation. It appears evident that AF Holdings is a shell corporation that is being operated by the same attorneys that are litigating the multitude of copyright infringement suits on its behalf.

On February 19, 2013, attorney Paul Hansmeier appeared as AF Holdings 30(b)(6) deponent in connection with a similar copyright infringement case in California. *AF Holdings, LLC v. Joe Navasca*, Case No. 3:12-cv-02396-EMC N.D. Cal. During the deposition, Mr.

Hansmeier (who represented AF Holdings while he was a partner in the Chicago based law firm Steele Hansmeier, PLLC and currently represents AF Holdings as a member of the Minneapolis Alpha Law Firm, LLC) testified as follows:

- AF Holdings, does not sell or distribute anything, and is merely the owner of various copyrighted works. (Deposition Transcript, p. 21)
- All of the money obtained through its litigation efforts is held by the law firms acting on its behalf and any amounts not paid to its attorneys are used to pay for future litigation efforts. (Deposition Transcript pp. 88-89, 91, 106-107)
- The law firms that receive the settlement funds include: Steele Hansmeier, PLLC, Prenda Law Inc. (which purchased Steele Hansmeier's book of business in 2012) and the Anti-Piracy Law Group, LLC<sup>1</sup> and (Deposition Transcript pp. 89, 91-93, 256-258)
- AF Holdings has only had one employee since its inception in 2011 – Mark Lutz. (Deposition Transcript pp. 137, 141)
- Mr. Lutz was an employee of Steele Hansmeier, PLLC before becoming AF Holdings sole manager. (Deposition Transcript pp. 130-131)
- Mr. Lutz coordinates all of the AF Holding litigation cases throughout the country and is responsible for negotiating settlement on behalf of AF Holdings. (Deposition Transcript pp. 141)
- AF Holdings has never filed a tax return as it has never recognized any revenue. (Deposition Transcript, pp. 196-197)
- AF Holdings is owned by a trust; however Mr. Hansmeier (who is the corporate representative of the trust) did not know the name of the trust, its beneficiaries, its trustees, its settlors, who controls the trust, and has never actually seen the trust. (Deposition Transcript, p. 36, 39, 40, 46-47, 51, 54, 66-67, 69-70)
- AF Holdings relied on attorney John Steele (Mr. Hansmeier's former partner) to handle the assignment and transfer of various copyrighted works from Heartbreaker Digital, LLC -the original content owner. (Deposition Transcript, p. 127)
- Prenda Law (which purchased Steele Hansmeier's book of business in 2012) pays

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<sup>1</sup>The managing member of the Anti-Piracy Law Group is attorney Paul Duffy who is also a member of Prenda Law and an attorney of record on several of the AF Holdings copyright infringement suits. (Deposition Transcript, pp. 211-212)

\$6,000 a month to 6681 Forensics to gather IP address associated with downloads of its copyrighted material. (Deposition Transcript p. 166-167, 172-174, 206-208)

- Mr. Hansmeier's bother (i.e. Paul Hansmeier – who does not have any technical background or training) is the sole technician for 6681 Forensics. (Deposition Transcript p. 166-167, 172-174, 206-208)
- Steele Hansmeier utilized the service of Paul Hansmeier in connection with cases brought on behalf of AF Holdings (Deposition Transcript p. 168-169)

Based on the recently obtained testimony, it appears the attorneys representing AF Holdings have created a legal fiction in which they are both the agent and principal. In order illustrate incestual relationship between AF Holdings it attorneys, investigators, and other adult content Plaintiffs represented by the same individual and/or entities, counsel has provided a diagram attached hereto as exhibit 2. Counsel requests that the court consider these facts and admissions when ruling on the pending motion to quash [DE No. 12] Counsel asserts that he was unable to raise these issues to the court when he filed his motion(s) and/or during oral argument since the existence of the additional information was not known to him at that time and was only recently made available.

Dated: March 8, 2013

s/ John T. Hermann

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**CERTIFICATE OF ELECTRONIC SERVICE**

I hereby certify that I electronically filed the foregoing paper with the Clerk of the Court with the ECF system, which will send notification of each filing to the following:

Jonathan W. Tappan, Esq.

Dated: March 8, 2013

s/ John T. Hermann

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