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## Exhibit A

Legend to Testimony of David Goldhill (GSN Exh. 297)

COLOR	Fed. R. Evid.
	402 (Relevance)
	602 (No Personal Knowledge/Foundation)
	802 (Hearsay)

SUPPLEMENTAL DIRECT TESTIMONY OF DAVID GOLDHILL

I, David Goldhill, hereby declare:

**A. Background**

1. I have served as the President and Chief Executive Officer of Game Show Network, LLC ("GSN") since 2007. In this role, I oversee GSN's distribution, guide the network's programming strategy, and lead development of the audience and advertiser base for the network.

2. I have more than 20 years of experience in the media industry. Prior to joining GSN, I served as president and chief operating officer of Universal Television Group, where I oversaw program and asset development and distribution activities for the company's domestic and international cable networks (including USA Network and SciFi), cable and network television studios, first-run syndication business, and worldwide television distribution. I previously was executive vice president and chief financial officer of Act III Communications, a privately-owned holding company with interests in television stations, movie theaters, magazines, and film/television production, and was chief executive officer and then chairman of the board of Independent Television Network Holdings, Ltd., which built the TV3 television network in Russia.

3. In addition to my experience running media businesses, I also have substantial experience in the finance industry. I worked as a senior advisor to Associated Partners, an investment firm specializing in media, telecommunications and technology. Previously, I was an investment banker at Morgan Stanley and Lehman Brothers.

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B. The Networks

4. GSN launched on December 1, 1994 as "Game Show Network." For years, the network has enjoyed broad distribution from multichannel video programming distributors ("MVPDs") throughout the country, including until the events in question on Cablevision. Sony Pictures Entertainment, Inc. ("Sony") and DIRECTV have indirect ownership interests in GSN. [REDACTED]

[REDACTED]

5. I joined GSN in 2007 as its Chief Executive Officer. In 2004, GSN began referring to its service as "GSN" rather than "Game Show Network" in order to present itself as a general interest network that appeals to women. To continue that effort, and recognizing that GSN's audience was already heavily female, when I became CEO in 2007, I adopted a programming strategy that would more directly cater to the network's female audience.

Rule 602

6. To that end, I hired programming and marketing executives with experience at other female-oriented networks like Lifetime and E! Entertainment Television. Together, we developed an original programming slate that was designed to capture viewers in the women 18-49 and 25-54 demographics. We updated our marketing efforts to promote our female-oriented shows and focused heavily on the female demographics in our advertising sales efforts. See

Rule 402

GSN Exh. 238 [REDACTED]. We also created incentives to reward program hosts for delivering key female demographics. See GSN Exh. 92 [REDACTED]

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7. In part as a result of these efforts, by 2009 and continuing through today, GSN is a general interest network that features (largely through reality competition and game show formats) extensive female-oriented original programming that, at the time of the events at issue in this case, accounted for more than [REDACTED] of its primetime schedule. [REDACTED] Among other things, [REDACTED] GSN offers reality and game programming that is relationship- and female-oriented. For example, GSN's schedules before the repositioning included shows such as *Love Triangle*, a dating show hosted by Wendy Williams, which features couples caught in real-life "love triangles"; *The Newlywed Game*, a modern version of the classic comedic game, hosted by Sherri Shepherd, in which newly married couples face off in a series of question rounds; and *Baggage*, a dating show hosted by Jerry Springer, which turns the traditional dating show on its head in a highly comedic way by having a participant evaluate three potential suitors who display suitcases containing declarations of their past personal "baggage," in a manner particularly appealing to women.

Rule 402

8. Since the repositioning, GSN has continued on the same path I established when I joined the network, developing and airing shows such as *Mind of a Man*, hosted by DeRay Davis and focusing on dating and the challenges women face in figuring out what men really think, and *It Takes a Church*, a relationship-themed show hosted by Grammy nominee Natalie Grant in which parishioners help one of their own find love. See GSN Exh. 227

Rule 402 & also Rule 802 for GSN ex. 227

[REDACTED]  
[REDACTED]; GSN Exh. 228 [REDACTED]  
[REDACTED]

Rule 402

9. In addition to new seasons of *The Newlywed Game* and *Baggage*, GSN has aired a cooking competition show, *Beat the Chefs*, acquired and aired episodes of *Dancing With*

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Rule 402 *the Stars*, and premiered a highly successful competition-based program, *The American Bible Challenge*. All of these shows appeal primarily to female viewers. We also have offered non-game reality shows targeted to women, such as *Carnie Wilson: Unstapled*, which followed the singer Carnie Wilson in her effort to launch a dessert business, and *Skin Wars*, hosted by

Rule 402 Rebecca Romijn and centered on the world of body painting. See GSN Exhs. 43 [REDACTED]  
[REDACTED]  
[REDACTED]

Rule 402 229 [REDACTED]  
[REDACTED]. Prior to the events at issue in this case, Nielsen reported that GSN was distributed to approximately [REDACTED] subscribers. Women account for approximately [REDACTED] of GSN's viewership.<sup>1</sup>

10. WE tv is a television network that, like GSN, shows programming that is popular with women. See GSN Exh. 228 [REDACTED]  
[REDACTED]. WE tv was, at all relevant times, owned by Rainbow Media, which was wholly owned by Cablevision.<sup>2</sup>

Rule 402 & Rule 602 11. I understand that, in recent years, WE tv's schedule focused on content that is thematically similar to GSN's relationship and female-oriented programming. This is because GSN and WE tv each target women age 25 to 54, and each offers significant content designed to appeal to this demographic and to advertisers seeking to reach this demographic with their sales

<sup>1</sup> GSN's "gender skew" has fluctuated at various points, as is the case for all networks of GSN's size. But consistently since I joined the network, GSN has targeted and delivered a high number of female viewers, comparable to other female-oriented networks.

<sup>2</sup> In 2011, Rainbow Media was spun off by Cablevision into a separate corporate entity, AMC Networks, Inc. I understand that AMC Networks continues to be affiliated with Cablevision because both are commonly-owned by the Dolan family.

Rule 402 &  
Rule 602

messages. Not surprisingly, there is significant overlap in the audiences of the two networks. And, given the overlap in our core and target audiences, we have even competed directly against WE tv for the same programming and the same talent.

12. From 2009 to 2011, Cablevision also owned, through Rainbow Media, a network spun off from WE tv known as Wedding Central. Although we never considered Wedding Central to be a meaningful competitor because it struggled to obtain carriage in the marketplace, we believed that if the network managed to succeed, it would appeal to young female viewers, similar to those who watch GSN and WE tv.

**C. Cablevision's Repositioning of GSN to the Sports Tier**

13. When I joined GSN in 2007, I learned that GSN [REDACTED]

[REDACTED]. I discussed this with Dennis Gillespie, GSN's Senior Vice President of Distribution, on a number of occasions, and directed Mr. Gillespie to continue his efforts to engage in meaningful negotiations with Cablevision [REDACTED] Mr. Gillespie reported that

Rule 802

Cablevision opposed a new agreement on terms consistent with the previous agreement but made clear that it would continue to carry GSN on the same terms set forth [REDACTED]

14. Cablevision's position was quite surprising to me. We work hard to maintain positive relationships with our affiliate partners, so I was struck by Cablevision's complete unwillingness to engage in any meaningful dialogue on a new carriage agreement. We had no choice but to heed Cablevision's warning and to consent to continued carriage without a formal written agreement.

15. Cablevision's Senior Vice President for Programming Acquisition Tom Montemagno abruptly notified us on December 3, 2010 that Cablevision intended to reposition GSN to its narrowly-distributed, premium sports tier effective February 1, 2011. This would

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require our viewers in Cablevision systems to pay an additional \$6.95 per month to continue to watch GSN and would make it much harder for the network to reach our female audience given the male orientation of the sports tier. Mr. Montemagno told us that the move was driven by concerns about GSN's cost and performance. Cablevision did not announce plans to reposition any of its affiliated networks including its networks similarly situated to GSN, Wedding Central and WE tv to the premium sports tier.

16. I was most struck by the abruptness of the decision and by the nonsensical nature of the plan to carry GSN a female-oriented network with zero sports programming on a specialty sports tier populated exclusively with male-targeted networks. I immediately began to discuss with the GSN team what we could do to avoid such negative repositioning on Cablevision systems. (See GSN Exh. 99).

Rule 602

Rule 802

17. I asked our management committee member Derek Chang (at the time, DIRECTV's Executive Vice President of Content Strategy and Development), who had a prior business relationship with Cablevision Chief Operating Officer Tom Rutledge, to contact Mr. Rutledge to see whether it would be possible to persuade Cablevision to reconsider.

18. Mr. Chang had not previously participated in affiliate negotiations on behalf of GSN. He told me he would be willing to contact Mr. Rutledge in this instance because of the importance to GSN of Cablevision's distribution and because, based on his experience in the media industry, he considered it unusual that Cablevision would communicate a final decision to re-tier GSN without allowing the opportunity for any negotiation.<sup>3</sup>

Rule 602 &  
Rule 802

<sup>3</sup> To support his outreach to Mr. Rutledge, Mr. Gillespie and I provided Mr. Chang with background information about GSN's distribution and negotiation history with Cablevision. (See GSN Exh. 93).

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Rule 602 &  
Rule 802

19. In response to my request, Mr. Chang informed me that he had a brief initial call with Mr. Rutledge in early December and a follow-up conversation on December 13, 2010, in which Mr. Rutledge asked him to speak with Josh Sapan, President of Cablevision's programming subsidiary, Rainbow Media Holdings. (GSN Exh. 99). Mr. Chang later reported to me that Mr. Sapan indicated that Cablevision would be willing to consider carrying GSN on a basic tier if DIRECTV would launch Wedding Central on DIRECTV. (See GSN Exh. 102, GSN Exh. 260). Mr. Chang explained that, based on a handful of conversations he had with Mr. Sapan and his colleague Robert Broussard, Rainbow's head of Distribution, it was clear that a Wedding Central launch was the only item that might cause Cablevision to reverse its decision to re-tier GSN.

Rule 602 &  
Rule 802

20. Mr. Chang told me that he turned down Rainbow's proposal on January 31, 2011 because DIRECTV had previously decided that Wedding Central did not merit distribution on its service. The next day, Cablevision moved GSN to its sports tier. I understand that, even after this point, Mr. Sapan and Mr. Broussard continued to lobby DIRECTV to launch Wedding Central and that Cablevision continued to link GSN's carriage to a DIRECTV commitment to launch.

21. We continued to press for meaningful negotiations with Cablevision following Cablevision's placement of GSN on the sports tier to see if there was anything other than DIRECTV's carriage of Wedding Central that would placate Cablevision. After the repositioning occurred, I had several contacts with Cablevision to see if GSN could achieve restoration of its prior service level. On February 7, 2011, I participated in a meeting in Bethpage, New York, with Cablevision CEO James Dolan, Chief Operating Officer Tom Rutledge, and Mr. Montemagno. Robert Wiesenthal, Executive Vice President and Chief

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Financial Officer of Sony Corporation of America, and Andy Kaplan, President, International Networks of Sony Pictures Television International and a member of GSN's management committee, also participated in this meeting.

22. During this meeting, Mr. Dolan cited GSN's cost and ratings performance as the motivating factors for Cablevision's decision to reposition GSN to the sports tier.

Rule 602

Cablevision did not move any other network including, importantly, any network it owns to the sports tier or otherwise downgrade a network to a lesser tier, even though WE tv and many other networks are reportedly [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

23. Cablevision's treatment of GSN also did not square with our dealings with

Rule 602 &  
Rule 802

other distributors. Every other major distributor recognizes GSN's value that is, the high ratings it delivers at a relatively low cost compared with other networks and has continued to

carry the network broadly. Even in the New York market, Cablevision's relegation of GSN

exclusively to the sports tier while giving broad carriage to its own networks, WE tv and

Wedding Central, is inconsistent with the carriage of GSN and Cablevision's affiliates by all

other distributors. For example, [REDACTED]

[REDACTED]

[REDACTED] Wedding Central, on the other hand, was hardly carried by

Rule 602

anyone, in New York or otherwise, when it was on the air that is, anyone except Cablevision, which carried Wedding Central on a broadly-distributed tier. In short, Cablevision is the clear

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Rule 602

outlier when compared with the rest of our affiliate partners, both nationally and locally in New York.<sup>4</sup>

24. During our meeting at Bethpage, Mr. Dolan also stated that Cablevision

would not accept any carriage proposal that required Cablevision to pay anything at all for GSN.

Rule 602

I explained that this proposal could only be seen as a disingenuous "non-offer" because it was, as

the Cablevision executives should plainly know, impossible for GSN to accept. This was in part

because

Rule 602

25. Following that meeting, I spoke directly with Mr. Montemagno and alerted

him that GSN would submit a new proposal to regain digital basic distribution on all Cablevision

Systems. During a phone call on February 8, 2011, I presented Mr. Montemagno with a proposal

Rule 602

<sup>4</sup> I understand that Cablevision has argued, as a justification for its tiering decision, that GSN does not perform as strongly in New York. GSN's broad carriage on other MVPDs in the New York market suggests otherwise. More broadly, GSN's performance in a given market is directly linked to the support it receives from its affiliate partners in such markets. Where GSN is provided with marketing support and favorable channel placement by an operator, it performs better locally, as is the case in markets like St. Louis where GSN receives favorable channel positioning and

On the other hand, the negligible support and poor channel placement GSN receives from Cablevision in the New York market undoubtedly has an impact on GSN's performance in that market. That GSN nonetheless performed with WE in New York prior to the repositioning is simply a testament to the quality of our content. See, e.g., GSN Exhs. 96 & 97

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for distribution of GSN on Cablevision's digital basic package. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Rule 602

26. Mr. Montemagno responded to the proposal by repeating Cablevision's position that it would not accept any carriage proposal that required Cablevision to pay anything at all for GSN. This position remained a non-starter in part, as Mr. Montemagno would have understood, [REDACTED] Cablevision thereafter formally rejected the proposal we made during a March 8, 2011 telephone conversation with GSN's Executive Vice President of Distribution, Dale Hopkins.

Rule 602

27. During these negotiations, it became clear to me that Cablevision would not reconsider its tiering decision absent a commitment from DIRECTV to launch Wedding Central.

[REDACTED]

[REDACTED] Cablevision's refusal of that offer, coupled with its insistence on a

Rule 602

[REDACTED] deal that it knew we could never accept given the realities of our business, clearly suggested to me that Cablevision had no interest in a solution that did not include a trade of carriage involving Wedding Central.

Rule 602

28. Indeed, Cablevision's desire to advantage its affiliated networks, including to obtain a carriage commitment for Wedding Central from DIRECTV, is the only explanation for its tiering decision that is consistent with its conduct towards GSN. Putting that motive aside,

Cablevision's tiering decision strikes me as contrary to GSN's broad carriage by other distributors that uniformly recognize the network's value and contrary to Cablevision's

Rule 602

continued broad carriage of its [REDACTED] affiliated networks. Cablevision's

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Rule 602

unwillingness to engage in any meaningful negotiations with GSN to reach a mutually-workable carriage solution is also contrary to how business is conducted in the television industry.

**D. Harmful Effects of the Repositioning**

29. Despite GSN's continued efforts to engage Cablevision in discussions, since February 1, 2011, Cablevision has distributed GSN to New York-New Jersey-Connecticut subscribers on a sports tier that today reaches only about [REDACTED] of Cablevision's [REDACTED] New York-New Jersey-Connecticut subscribers. It is my understanding that subscribers must pay a fee of \$6.95 per month above the amount they already pay for basic digital cable service to receive this tier of service. [REDACTED]

Rule 602

30. Moreover, GSN's placement on the sports tier is particularly inappropriate given GSN's predominantly female viewership. Not surprisingly, aside from GSN, *every other network* on the tier offers sports programming and/or programming specifically directed at a male audience. (See GSN Exh. 179). Apart from GSN, Cablevision has continued to focus the sports tier on male-targeted sports programming, recently adding, for instance, the Fight Now Network and the Fantasy Sports Network. (GSN Exh. 264). Being on the sports tier with such networks significantly impacts our ability to reach our core female viewership.

Rule 402

31. Cablevision's relegation of GSN to the sports tier has harmed GSN's ability to compete against other similarly situated cable networks, including both WE tv and, while it was operating, Wedding Central. The tiering reduced GSN's overall subscribers by more than [REDACTED], which directly translates to significant adverse financial impacts to GSN both with respect to subscriber fees paid to GSN by Cablevision and with respect to advertising revenues. As with virtually all non-premier services, these are GSN's two most significant sources of television revenue. Based on our financial models, GSN anticipates it will realize direct

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licensing and advertising losses amounting to approximately [REDACTED] annually during each year in which Cablevision continues to carry the network on the sports tier. The subscriber loss translates to an annual loss of [REDACTED] in subscriber fees, and GSN estimates it is losing between [REDACTED] in advertising revenue annually. In the aggregate, in the more than four years since the retiering, GSN has suffered direct losses of at least [REDACTED] due to the retiering.

32. The reduction in revenues dramatically impacts our ability to effectively operate and build our television network, to develop and acquire new programming, and to market our programming to grow our audience. Significant investment is required to develop and launch original programming such as *It Takes a Church* and *Skin Wars*. The retiering has cut into the funds available to develop such programs. The retiering has also harmed our ability to market new programs. A cable network's first source of marketing is its own air, but because the retiering has reduced GSN's subscriber base in New York, GSN must buy ads on other networks to promote its own shows, a substantial cost.

33. Cablevision's conduct has been particularly harmful because it is a dominant cable operator in the New York market, where a large number of advertising executives are based. These executives often treat a service's availability in their homes as a prerequisite to considering it as a meaningful contender for a share of their advertising budgets. Thus, GSN's loss of approximately [REDACTED] Cablevision subscribers has damaged GSN even more than the harm that it would suffer from the loss of an equal number of subscribers in a different market. Indeed, GSN has dealt with media buyers who are Cablevision subscribers who have inquired about GSN's lack of availability on Cablevision.

Rule 402

Rule 602

Rule 602 &  
Rule 802

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Rule 602

34. The retiring has also placed GSN in a weaker negotiating position with other

cable systems, which are aware of the repositioning and attempt to use it as leverage to gain an advantage in carriage renewal negotiations. [REDACTED]

Rule 802

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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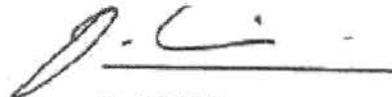
[REDACTED]

[REDACTED]

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I declare under penalty of perjury that the foregoing is true and correct. Executed on June 2, 2015.



David Goldhill