



July 21, 2010

Mr. John O. Jeffrey
General Counsel & Secretary
Internet Corporation for Assigned Names and Numbers
4676 Admiralty Way, Suite 330
Marina del Rey, California 90292

Re: ICM's Response to Due Diligence Requests

Dear John,

Thank you for taking the time to meet with me last week at your offices in Marina del Rey. I believe we made significant progress and I look forward to our bringing this process to a successful conclusion. To that end, I am writing to submit the following additional information reflecting our discussions. For ease of reference, I am providing a replacement set containing all current documents that are part of ICM's due diligence disclosures.

Additionally, we have enclosed under separate cover our revised Contract Appendix S.

ICM Registry, LLC hereby confirms that the application submitted in March 2004, as described and clarified during the evaluation period (collectively the "Application", remains true and accurate in all material respects. Changes to any of the information in the Application materials are described in this letter and in the attached materials, with specific attention given to the points about which you inquired in your letter. ICM Registry, LLC remains fully qualified to operate the .XXX sTLD; those qualifications have not diminished in any way since ICM's application was originally approved by the Board.

Enclosures

In support of the information contained herein, ICM submits the attachments listed below (supplemented and revised based on our 16th July 2010 meeting). Please note that certain information is submitted with the understanding that it is, and will remain, private and confidential, all of which has been marked confidential. ICM does not authorize the disclosure of the information in the confidential submissions to anyone other than members of the ICANN Board of Directors and those ICANN personnel who have a need to know in connection with the due diligence of ICM's application.

All items marked with an asterisk are submitted on a confidential basis under separate cover .

Attachments regarding ICM Registry, LLC:

- (i) Certificate of Good Corporate Standing
- (ii) Business Plan/Financials Years 1-5 utilizing 125,000 Initial Registrations*
- (iii) Balance Sheet as of End of June 2010*
- (iv) Current Ownership Structure*
- (v) Funding Commitment*
- (vi) S. Lawley Verification of Financial Ability*
- (vii) ICM/IFFOR Contract
 - Appendix A - Policy Development Process (PDP)
 - Appendix B - Baseline Policies
 - Appendix C - Compliance Reporting System
 - Appendix D - IFFOR Organizational Chart
 - Appendix E - Ombudsman Charter
- (viii) ICM Abusive Registration Policy
- (ix) ICM & IFFOR Obligations and Responsibilities
- (x) Afilias Reconfirmation of Service Provider

Attachments regarding IFFOR:

- (i) Articles of Incorporation
- (ii) Business Plan/Financials*
- (iii) Policy Development Process Summary
- (iv) Proposed Board Members*
- (v) Proposed Members of Policy Council*
- (vi) Letter of Intent for labeling and monitoring with supporting material*

Attachments regarding ICM/ICANN Contract

- (i) Addendum to Contract: Appendix S

ICM Corporate Structure & Financials

1. Ownership and Management

ICM Registry remains, in all material respects, as presented in the original Application and supporting materials.

The majority shareholders of ICM remain the same, although the distribution of equity has been altered, Mr. Lawley now holds a majority controlling interest in ICM Registry, LLC.

Although some additional parties, not mentioned in previous submissions, now hold minority interests, it remains true that no member of the Adult Entertainment Industry holds or has ever held any financial interest in ICM Registry, LLC.

ICM's senior management team remains largely as described in Parts III of the "Business Plan – Current Operations" and Part V of the "Business Plan – Registry Requirements portions of the Application. The only alterations are the result of the sad passing of Mr. Stuart Duncan, the former Chief Operating Officer, in October 2009. Mr. Duncan is replaced at the Director level by Mr. Vaughn

Liley, a long time business associate of Mr. Stuart Lawley, and at an operational level by Mr. Russell King.

This change in the senior management of ICM from the management as described in the Application can be seen in the below lists:

2004 ICM Directors

S. Lawley
J. Hendeles
L. Bayles
S. Duncan (deceased)

2010 ICM Directors

S. Lawley
J. Hendeles
L. Bayles
V. Liley

2004 ICM Officers

S. Lawley
J. Hendeles
L. Bayles
S. Duncan (deceased)

2010 ICM Officers

S. Lawley
J. Hendeles
L. Bayles
R. King

2. Financial Position and Business Plan

For full information on ICM's business plan, please see attached updated ICM Registry, LLC Financials and Years 1-5 Projections.

As of the 2004 Application, ICM Registry, Inc. had approximately \$1,500,000 in paid-in capital.

As of 2 July 2010, ICM Registry, LLC has approximately \$4,400,000 in paid-in capital.

Additionally, as of the 2004 Application, Messrs. Lawley and Hendeles were committed to providing up to an additional \$1,000,000 in capital to ICM Registry, Inc. Such commitments were fully honored.

As of 2 July 2010, ICM Registry, LLC has an authorized Capital Call of \$5,000,000, of which over \$500,000 has been funded and the balance of which Mr. S. Lawley has personally committed to fully underwrite. For further information, please see the enclosed confidential attachments entitled "Funding Commitment" and "S. Lawley Verification of Financial Ability." ICM's current financial position is also evidenced by the enclosed "Balance Sheet as of End of June 2010."

In short, ICM's financial position is as strong or stronger than it was when the 2004 Application was submitted and approved.

3. Technical Capabilities

Afilias remains committed to serve as the infrastructure provider for the sTLD, as it did when the 2004 Application was submitted. Afilias's commitment is evidenced and memorialized by the attached "Afilias Reconfirmation of Service Provider."

4. Assurance of Charter Compliance and Avoidance of Abusive Registration Practices

ICM confirms that it will fully meet its obligations to assure charter compliance, avoid abusive registration practices, and assure adequate dispute resolution practices as set forth in the Application. All of the information set forth in the Application on those subjects remains accurate. ICM also commits to the enhanced measures of the “Rapid Takedown Service” and Non-Adult Industry protection methods detailed in Appendix S of the current draft registry agreement. Additionally, ICM is currently in advanced negotiations with two market leaders in the provision of services to preserve and protect the rights of IP holders, and will contract with one of the aforementioned parties upon DCS or shortly thereafter.

ICM Registry has opened its pre-registration service and, as of 15th July 2010, has received in excess of 167,000 (one hundred and sixty seven thousand) registrations from over 8,700 (eighty seven hundred) entities in over 80 (eighty) countries.

IFFOR (The International Foundation for Online Responsibility)

1. Structure

IFFOR remains the Sponsoring Organization for the .XXX sTLD, as demonstrated by the contract between ICM and IFFOR attached to this letter. IFFOR’s Articles of Incorporation, organizational chart, and business plan are enclosed. The information about the nature and structure of IFFOR presented in the 2004 Application remains largely correct. The only changes to IFFOR are unrelated to IFFOR’s conduct of its role as sponsoring organization.

First, IFFOR has been reincorporated in North America, for the sole purpose of facilitating efficient tax treatment of US contributions and donations. Its offices are maintained at 919 18th Street NW, Suite 925, Washington, DC 20006.

Based on input from experts in the child safety, free expression, and privacy and security communities who wish to be involved in the policy development process for IFFOR but prefer not to have liability as a member of the Board of Directors, the structure for IFFOR has been modified as follows:

- A three person Board of Directors will oversee the operational aspects of the Foundation.
- The policy making authority is now held by the nine member Policy Council (PC).
- The members of the nominating committee will be the members of the Board of Directors of IFFOR.

2. Board of Directors

Two of the three positions on IFFOR’s Board of Directors will be filled by Mr. Stuart Lawley and Mr. Clyde Beattie. Mr. Beattie, as the former Chair of Canadian Internet Registry Authority, is highly qualified for this position. The third seat will be filled by one of the candidates listed in the confidential attachment entitled “Proposed Board Members.” Full biographies on all candidates are provided therein.

3. Policy Making Process

The policy making process referenced on pages 14-15 of the 2004 Application remains as stated therein, with the only alteration being that it is now overseen by the Policy Council. A list of potential members of the Policy Council is enclosed as a confidential attachment.

4. Community

The information set forth on pages 5-7 of the 2004 Application with respect to “Community to be served” remains as stated.

5. Additional Commitments

As the enclosed (confidential attachment) Letter of Intent demonstrates, IFFOR will fulfill its obligations regarding the provision of labeling and site monitoring services.

We thank you for your prompt attention in your review and confirmation of ICM Registry’s current capabilities and qualifications with respects to the Application to serve as registry operator for the .XXX sTLD.

Sincerely,



Stuart Lawley
CEO & Chairman of the Board

Enc.

Cc: J. Beckwith Burr