

NETFLIX INC  
Form SC 13D/A  
July 12, 2006

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934  
(Amendment No. 5 )\***

NETFLIX, INC.

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

64110L106

(CUSIP Number)

Carla S. Newell

c/o Technology Crossover Ventures

528 Ramona Street

Palo Alto, California 94301

(650) 614-8200

(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

June 29, 2006

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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CUSIP No.

NAMES OF REPORTING PERSONS:

TCV IV, L.P.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF

8,938,265 SHARES OF COMMON STOCK (A)

SHARES  
BENEFICIALLY OWNED BY 8

SHARED VOTING POWER:

-0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
8,938,265 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
8,938,265 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
13.2%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

(A) Please see  
Item 5.

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CUSIP No.

NAMES OF REPORTING PERSONS:

TCV IV STRATEGIC PARTNERS, L.P.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 333,297 SHARES OF COMMON STOCK (A)

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY -0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
333,297 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
333,297 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
LESS THAN 1%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

(A) Please see  
Item 5.

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CUSIP No.

NAMES OF REPORTING PERSONS:

1 TECHNOLOGY CROSSOVER MANAGEMENT IV, L.L.C.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

(a)

(b)

3 SEC USE ONLY:

4 SOURCE OF FUNDS (SEE INSTRUCTIONS):

AF, OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION:

DELAWARE

7 SOLE VOTING POWER:

NUMBER OF 9,271,562 SHARES OF COMMON STOCK (A)

8 SHARES BENEFICIALLY OWNED BY

SHARED VOTING POWER:

-0- SHARES OF COMMON STOCK



EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
9,271,562 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
9,271,562 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
13.7%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
OO

(A) Please see  
Item 5.

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CUSIP No.

NAMES OF REPORTING PERSONS:

1 TECHNOLOGY CROSSOVER VENTURES II, L.P.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

(a)

(b)

3 SEC USE ONLY:

4 SOURCE OF FUNDS (SEE INSTRUCTIONS):

AF, OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION:

DELAWARE

7 SOLE VOTING POWER:

NUMBER OF 700,197 SHARES OF COMMON STOCK (A)

8 SHARES BENEFICIALLY OWNED BY

SHARED VOTING POWER:

-0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
700,197 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
700,197 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
1.0%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
PN

(A) Please see  
Item 5.

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CUSIP No.

NAMES OF REPORTING PERSONS:

TCV II (Q), L.P.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 538,321 SHARES OF COMMON STOCK (A)

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY -0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
538,321 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
538,321 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
LESS THAN 1%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
PN

(A) Please see  
Item 5.

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CUSIP No.

NAMES OF REPORTING PERSONS:

TCV II, V.O.F.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

NETHERLANDS ANTILLES

SOLE VOTING POWER:

7

NUMBER OF 22,743 SHARES OF COMMON STOCK (A)

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY -0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
22,743 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
22,743 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
LESS THAN 1%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

(A) Please see  
Item 5.

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CUSIP No.

NAMES OF REPORTING PERSONS:

TCV II STRATEGIC PARTNERS, L.P.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 95,532 SHARES OF COMMON STOCK (A)

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY -0- SHARES OF COMMON STOCK



EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
95,532 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
95,532 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
LESS THAN 1%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

(A) Please see  
Item 5.

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CUSIP No.

NAMES OF REPORTING PERSONS:

1 TECHNOLOGY CROSSOVER VENTURES II, C.V.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

(a)

(b)

3 SEC USE ONLY:

4 SOURCE OF FUNDS (SEE INSTRUCTIONS):

AF, OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION:

NETHERLANDS ANTILLES

7 SOLE VOTING POWER:

NUMBER OF 106,906 SHARES OF COMMON STOCK (A)

8 SHARES BENEFICIALLY OWNED BY

SHARED VOTING POWER:

-0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
106,906 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
106,906 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
LESS THAN 1%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

(A) Please see  
Item 5.

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CUSIP No.

NAMES OF REPORTING PERSONS:

1 TECHNOLOGY CROSSOVER MANAGEMENT II, L.L.C.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

(a)

(b)

3 SEC USE ONLY:

4 SOURCE OF FUNDS (SEE INSTRUCTIONS):

AF, OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION:

DELAWARE

7 SOLE VOTING POWER:

NUMBER OF 1,463,699 SHARES OF COMMON STOCK (A)

8 SHARES BENEFICIALLY OWNED BY SHARED VOTING POWER:  
-0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
1,463,699 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
1,463,699 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
2.2%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

OO

(A) Please see  
Item 5.

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CUSIP No.

NAMES OF REPORTING PERSONS:

JAY C. HOAG

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

UNITED STATES CITIZEN

SOLE VOTING POWER:

7

NUMBER OF 19,559 SHARES OF COMMON STOCK (A) (B)

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY 10,735,261 SHARES OF COMMON STOCK (B)

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
10,754,820 SHARES OF COMMON STOCK (A) (B)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
10,754,820 SHARES OF COMMON STOCK (A) (B)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
15.9%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

IN  
(A) Includes options issued under the 2002 Stock Option Plan and held directly by the Reporting Person that are immediately exercisable into a total of 19,559 shares of common stock.

(B) Please see Item 5.

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CUSIP No.

NAMES OF REPORTING PERSONS:

RICHARD H. KIMBALL

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

UNITED STATES CITIZEN

SOLE VOTING POWER:

7

NUMBER OF

-0- SHARES OF COMMON STOCK

SHARES  
BENEFICIALLY OWNED BY 8

SHARED VOTING POWER:

10,735,261 SHARES OF COMMON STOCK (A)



EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
10,735,261 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
10,735,261 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
15.9%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

IN  
(A) Please see  
Item 5.

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**ITEM 1. SECURITY AND ISSUER.**

This statement relates to shares of common stock, par value \$0.001 per share (the Common Stock), of Netflix, Inc., a Delaware corporation (Netflix or the Company). The Company's principal executive offices are located at 100 Winchester Circle, Los Gatos, CA 95032.

**ITEM 2. IDENTITY AND BACKGROUND.**

(a)-(c), (f). This statement is being filed by (1) TCV IV, L.P., a Delaware limited partnership (TCV IV), (2) TCV IV Strategic Partners, L.P., a Delaware limited partnership (Strategic Partners IV), (3) Technology Crossover Management IV, L.L.C., a Delaware limited liability company (Management IV), (4) TCV II, V.O.F., a Netherlands Antilles general partnership (TCV II, V.O.F.), (5) Technology Crossover Ventures II, L.P., a Delaware limited partnership (TCV II, L.P.), (6) TCV II (Q), L.P., a Delaware limited partnership (TCV II (Q)), (7) TCV II Strategic Partners, L.P., a Delaware limited partnership (Strategic Partners II), (8) Technology Crossover Ventures II, C.V., a Netherlands Antilles limited partnership (TCV II, C.V.), (9) Technology Crossover Management II, L.L.C., a Delaware limited liability company (Management II), (10) Jay C. Hoag (Mr. Hoag) and (11) Richard H. Kimball (Mr. Kimball). TCV IV, Strategic Partners IV, Management IV, TCV II, V.O.F., TCV II, L.P., TCV II (Q), Strategic Partners II, TCV II, C.V., Management II, Mr. Hoag and Mr. Kimball are sometimes collectively referred to herein as the Reporting Persons. The agreement among the Reporting Persons relating to the joint filing of this statement is attached as Exhibit 1 hereto.

TCV IV, Strategic Partners IV, Management IV, TCV II, V.O.F., TCV II, L.P., TCV II (Q), Strategic Partners II, TCV II, C.V., and Management II are each principally engaged in the business of investing in securities of privately and publicly held companies. Management IV is the sole general partner of TCV IV and Strategic Partners IV.

Management II is the sole general partner of TCV II, L.P., TCV II (Q) and Strategic Partners II and the sole investment general partner of TCV II, V.O.F. and TCV II, C.V. The address of the principal business and office of each of TCV IV, Strategic Partners IV, Management IV, TCV II, V.O.F., TCV II, L.P., TCV II (Q), Strategic Partners II, TCV II, C.V., and Management II is 528 Ramona Street, Palo Alto, California 94301.

Mr. Hoag and Mr. Kimball are the managing members of Management IV and Management II. Mr. Hoag and Mr. Kimball are each United States citizens, and the present principal occupation of each is as a venture capital investor. The business address of each of Mr. Hoag and Mr. Kimball is 528 Ramona Street, Palo Alto, California 94301.

(d), (e). During the last five years, none of TCV IV, Strategic Partners IV, Management IV, TCV II, V.O.F., TCV II, L.P., TCV II (Q), Strategic Partners II, TCV II, C.V., Management II, Mr. Hoag or Mr. Kimball has (1) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (2) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

**ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.**

On June 29, 2006, TCV IV net exercised warrants to purchase 6,942,574 shares of the Company's Common Stock at an exercise price of \$1.50 per share utilizing the net exercise provisions in the warrants. Under that provision, TCV IV surrendered 379,919 shares of Common Stock underlying the warrant to cover the exercise price of the warrants and received 6,562,655 shares of Common Stock.

The payment of the exercise price was through the disposition of shares of Common Stock underlying the warrants by TCV IV.

On June 29, 2006, Strategic Partners IV net exercised warrants to purchase 258,878 shares of the Company's Common Stock at an exercise price of \$1.50 per share utilizing the net exercise provisions in the warrants. Under that provision, Strategic Partners IV surrendered 14,167 shares of Common Stock underlying the warrant to cover the exercise price of the warrants and received 244,711 shares of Common Stock.

The payment of the exercise price was through the disposition of shares of Common Stock underlying the warrants by Strategic Partners IV.

On June 29, 2006, TCV II, V.O.F. net exercised warrants to purchase 24,060 shares of the Company's Common Stock at an exercise price of \$1.50 per share utilizing the net exercise provisions in the warrants. Under that provision, TCV

II, V.O.F surrendered 1,317 shares of Common Stock underlying the warrant to cover the exercise price of the warrants and received 22,743 shares of Common Stock.

The payment of the exercise price was through the disposition of shares of Common Stock underlying the warrants by TCV II, V.O.F.

On June 29, 2006, TCV II, L.P. net exercised warrants to purchase 740,733 shares of the Company's Common Stock at an exercise price of \$1.50 per share utilizing the net exercise provisions in the warrants. Under that provision, TCV II, L.P. surrendered 40,536 shares of Common Stock underlying the warrant to cover the exercise price of the warrants and received 700,197 shares of Common Stock.

The payment of the exercise price was through the disposition of shares of Common Stock underlying the warrants by TCV II, L.P.

On June 29, 2006, TCV II (Q) net exercised warrants to purchase 569,485 shares of the Company's Common Stock at an exercise price of \$1.50 per share utilizing the net exercise provisions in the warrants. Under that provision, TCV II (Q) surrendered 31,164 shares of Common Stock underlying the warrant to cover the exercise price of the warrants and received 538,321 shares of Common Stock.

The payment of the exercise price was through the disposition of shares of Common Stock underlying the warrants by TCV II (Q).

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On June 29, 2006, Strategic Partners II net exercised warrants to purchase 101,063 shares of the Company's Common Stock at an exercise price of \$1.50 per share utilizing the net exercise provisions in the warrants. Under that provision, Strategic Partners II surrendered 5,531 shares of Common Stock underlying the warrant to cover the exercise price of the warrants and received 95,532 shares of Common Stock.

The payment of the exercise price was through the disposition of shares of Common Stock underlying the warrants by Strategic Partners II

On June 29, 2006, TCV II, C.V. net exercised warrants to purchase 113,095 shares of the Company's Common Stock at an exercise price of \$1.50 per share utilizing the net exercise provisions in the warrants. Under that provision, TCV II, C.V. surrendered 6,189 shares of Common Stock underlying the warrant to cover the exercise price of the warrants and received 106,906 shares of Common Stock.

The payment of the exercise price was through the disposition of shares of Common Stock underlying the warrants by TCV II, C.V.

#### ITEM 4. PURPOSE OF TRANSACTION.

The Reporting Persons acquired the Offering Shares for investment purposes. Depending on the factors discussed herein, the Reporting Persons may, from time to time, acquire additional shares of Common Stock in the open market, in connection with issuances by the company or sales by other stockholders in transactions registered under the Securities Act of 1933, as amended, in privately negotiated transactions or otherwise and/or retain and/or sell or otherwise dispose of all or a portion of their shares in the open market, through transactions registered under the Securities Act, through privately negotiated transactions or through distributions to their respective partners or otherwise. Any actions the Reporting Persons might undertake will be dependent upon the Reporting Persons' review of numerous factors, including, among other things, the price levels of the Common Stock; general market and economic conditions; ongoing evaluation of the Company's business, financial condition, operating results and prospects; the relative attractiveness of alternative business and investment opportunities; and other future developments.

Except as set forth above and as set forth in the Reporting Persons' initial statement on Schedule 13D with respect to the Company's securities, filed May 29, 2002 (which is incorporated by reference herein), the Reporting Persons have no present plans or intentions which would result in or relate to any of the transactions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

#### ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a), (b). As of the close of business on June 29, 2006, TCV IV, Strategic Partners IV, TCV II, V.O.F., TCV II, L.P., TCV II (Q), Strategic Partners II, TCV II, C.V., Management IV, Management II, Mr. Hoag and Mr. Kimball owned directly and/or indirectly the following shares:

Name of Investor	Number of Total Shares (including warrants)	Percentage of Outstanding Shares (including warrants) (*)
TCV IV	8,938,265	13.2% (**)
Strategic Partners IV	333,297	Less than 1% (**)
Management IV	9,271,562	13.7% (**)
TCV II, V.O.F	22,743	Less than 1% (**)
TCV II, L.P.	700,197	1.0% (**)
TCV II (Q)	538,321	Less than 1% (**)
Strategic Partners II	95,532	Less than 1% (**)
TCV II, C.V	106,906	Less than 1% (**)
Management II	1,463,699	2.2% (**)
Mr. Hoag	10,754,820	15.9% (**)(***)
Mr. Kimball	10,735,261	15.9% (**)

(\*) all percentages in this table are based on 59,473,862 shares of Common Stock of the Company outstanding as of May 4, 2006 and as reported on the Company's Form 10-Q filed with the Securities and Exchange Commission on

May 9, 2006 plus 8,271,065 shares of Common Stock issued upon exercise of the warrants held by the Reporting Persons..

(\*\*) Certain Reporting Persons disclaim beneficial ownership as set forth below.

(\*\*\*) Includes 19,559 options issued under the 2002 Stock Option Plan that are immediately exercisable into a total of 19,559 shares of Common Stock.

Each of TCV IV and Strategic Partners IV (together the TCV IV Funds ) has the sole power to dispose or direct the disposition of the shares of Common Stock which it holds directly and the sole power to vote or direct the vote of its respective shares of Common Stock. Management IV, as the sole general partner of each of the TCV IV Funds, may also be deemed to have the sole power to dispose or direct the disposition of the shares of Common Stock , as well as to have the sole power to vote or direct the vote of the shares of Common Stock held by the TCV IV Funds.

Management IV disclaims beneficial ownership of such securities except to the extent of its pecuniary interest therein. Each of TCV II, V.O.F., TCV II, L.P., TCV II (Q), Strategic Partners II and TCV II, C.V. (together the TCV II Funds ) has the sole power to dispose or direct the disposition of the shares of Common Stock which it holds directly and the sole power to vote or direct the vote of its respective shares of Common Stock. Management II, as the sole general partner of TCV II, L.P., TCV II (Q) and Strategic Partners II and as the sole investment general partner of TCV II, V.O.F. and TCV II, C.V., may also be deemed to have the sole power to dispose or direct the

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disposition of the shares of Common held by the TCV II Funds, as well as to have the sole power to vote or direct the vote of the shares of Common Stock held by the TCV II Funds. Management II disclaims beneficial ownership of such securities except to the extent of its pecuniary interest therein.

Messrs. Hoag and Kimball are the managing members of Management IV and Management II. Under the operating agreements of Management IV and Management II, each of Messrs. Hoag and Kimball have the independent power to cause the funds managed by Management IV and Management II to buy and sell securities of publicly traded portfolio companies; however, in general, they must act by unanimous consent with respect to all other matters, including directing the voting of such securities. As a result, each of Messrs. Hoag and Kimball may also be deemed to have the sole power to dispose or direct the disposition of the shares of Common Stock held by the TCV IV Funds and the TCV II Funds, respectively, as well as to have the shared power to vote or direct the vote of the respective shares of Common Stock held by the TCV IV Funds and the TCV II Funds. Mr. Hoag has the sole power to dispose and direct the disposition of the shares of Common Stock received upon exercise of his options and the sole power to direct the vote of his shares of Common Stock received upon exercise of his options. Messrs. Hoag and Kimball disclaim beneficial ownership of the securities owned by TCV IV Funds and TCV II Funds except to the extent of their pecuniary interest therein.

The Reporting Persons may be deemed to be acting as a group in relation to their respective holdings in the Company but do not affirm the existence of any such group.

Except as set forth in this Item 5(a) (b), each of the Reporting Persons disclaims beneficial ownership of any Common Stock owned beneficially or of record by any other Reporting Person.

(c). Hoag received the following option grants:

Date of Grant	Number of Options Granted	Exercise Price
2/1/06	1,475	\$27.11
3/1/06	1,490	\$26.85
4/3/06	1,422	\$28.13
5/1/06	1,351	\$29.60
6/1/06	1,403	\$28.51

(d). Not applicable.

(e). Not applicable.

#### **ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.**

Except as set forth herein and as set forth in the Reporting Persons' initial statement on Schedule 13D with respect to the Company's securities, filed May 29, 2002 (which is incorporated by reference herein), none of the Reporting Persons has any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any securities of Company, including but not limited to any contracts, arrangements, understandings or relationships concerning the transfer or voting of such securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

#### **ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.**

Exhibit 1 Joint Filing Agreement (incorporated by reference from Exhibit 1 to the Schedule 13D relating to the common stock of Netflix, Inc. filed on May 29, 2002)

Exhibit 2 Series E Non-Voting Preferred Stock and Warrant Purchase Agreement dated April 13, 2000 (incorporated by reference from Exhibit 2 to the Schedule 13D relating to the common stock of Netflix, Inc. on May 29, 2002)

Exhibit 3 Note and Warrant Purchase Agreement dated July 10, 2002 (incorporated by reference from Exhibit 3 to the Schedule 13D relating to the common stock of Netflix, Inc. on May 29, 2002)

Exhibit 4 Amended and Restated Stockholders' Rights Agreement dated July 10, 2001 (incorporated by reference from Exhibit 6 to the Schedule 13D relating to the common stock of Netflix, Inc. on May 29, 2002)

Exhibit 5 Form of Warrant dated July 10, 2001 (incorporated by reference from Exhibit 7 to the Schedule 13D relating to the common stock of Netflix, Inc. on May 29, 2002)

Exhibit 6 Statement Appointing Designated Filer and Authorized Signatories dated November 5, 2001 (incorporated by reference from Exhibit A to the Schedule 13D/A relating to the common stock of Digital Generation Systems, Inc. filed on March 21, 2002)

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**SIGNATURE**

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: July 11, 2006

**TCV IV, L.P.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory

**TCV IV STRATEGIC PARTNERS, L.P.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory

**TECHNOLOGY CROSSOVER MANAGEMENT IV, L.L.C.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory

**TCV II, V.O.F.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory

**TECHNOLOGY CROSSOVER VENTURES II, L.P.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory

**TCV II (Q), L.P.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory

**TCV II STRATEGIC PARTNERS, L.P.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory

**TECHNOLOGY CROSSOVER VENTURES II, C.V.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory

**TECHNOLOGY CROSSOVER MANAGEMENT II, L.L.C.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory



**JAY C. HOAG**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory

**RICHARD H. KIMBALL**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory

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