

Email Message

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Date: Mon, 28 Mar 2005 16:13:41 -0500
From: JLESSINGER (Jason A. Lessinger)
To: <scott.macleod@hklaw.com>
cc: LINDAP
Subject: cc: re: Term Sheet

SETTLEMENT NEGOTTIATIONS--INADMISSABLE

Scott, in response to your e-mail of Friday afternoon, and your March 28, 2005 e-mail request that my client propose a firm offer to settle the matter, I would advise you that at \$100,000.00 per quarter, we are going in the wrong direction. As you and I discussed, you thought \$60,000,000.00 in assets was a floor, not a ceiling, and my clients and I wondered whether the figure was considerably too low. Now, without any confirmation of the actual amount of revenue, you want my client to go backwards \$400,000.00, with the suggestion that my client would be "protected" from attrition of Rowe assets. A set figure also "protects" your clients from having to pay any additional sums in the event Rowe assets increase, and you and I both know the likelihood is that the assets will remain fairly constant over the next two years.

You ask what I think. I think a set figure is a great idea. You have requested a firm offer: My client would be willing to accept a set figure of \$250,000.00 per quarter, to be paid over 8 quarters, including the first quarter of 2005. In return my client will make no efforts to communicate with any of his contacts who invested assets with your clients for the purpose of suggesting that they remove assets, nor will my client solicit such individuals on behalf of any new securities/funds(my client will need a list of those individuals who should not be contacted). Obviously, this offer contemplates a formal agreement being reached between the parties.

I believe the above proposal to be more than fair, in light of the fact that your clients owe \$200,000.00 per quarter (approximately) as of 2004, and will be able to bring this matter to a close without litigation and terminate an agreement which was originally supposed to exist for as long as your clients derived income (a substantial amount of income as it has turned out) from my client's contacts. At \$100,000.00 per quarter, your clients want to terminate an ongoing arrangement; avoid litigation; only pay half of what would have been due over only the next two years; and be able to continue to generate revenue without remitting any portion to my client, contrary to the original agreement. Does that seem equitable to you? Over the weekend I received a research packet from our New York Securities counsel. Before I review it, please advise me if the \$250,000.00 number is acceptable. In the event it is not, and your clients offer \$100,000.00, I suspect I will be boning up on my securites law, and preparing a complaint to be filed in the very near future.

Please advise.

THIS E-MAIL IS DELIVERED IN THE SPIRIT OF SETTLEMENT OF A DISPUTED CLAIM, AND SHOULD BE DEEMED INADMISSABLE IN ANY SUBSEQUENT PROCEEDING. THE OFFER CONTAINED HEREIN IS SUBJECT TO WITHDRAWAL AT ANY TIME PRIOR TO ACCEPTANCE

Jason Lessinger

On Monday, March 28, 2005 9:36 AM, scott.macleod@hklaw.com wrote:

>
>I am told that we are looking for you to provide a firm offer for the
>amount of the fixed 2 year fee.
>

User: LINDAP (Printed 3/28/2005 3:59 PM)

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EXHIBIT G