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June 20, 2011

VIA E-MAIL

Ms. Ana Bove
Ms. Polina Dolginov
c/o Anna Bove Company, LLC
2100 East 21st Street
Brooklyn, NY 11229

VIA E-MAIL

Peter L. Berger, Esq.
Levisohn Berger LLP
61 Broadway, 32nd Floor
New York, NY 10006

Re: **Vadim Mikhlyn, Inga Mikhlyn and ABC All Consulting, Inc. v. Ana Bove, Polina Dolginov, et al.**
Docket No.: 08 CIV. 3367

Dear Ms. Bove, Ms. Dolginov and Mr. Berger:

We are writing to address the various outstanding issues in this matter.

Mikhlyns QuickBooks

We discussed your complaints regarding the QuickBooks file with our clients. They deny that they have in any way tampered with this file other than redacting sensitive information with the Court's permission. The only difference between what you have and what is on our clients' system is the redacted customer information. There is no other version of the file that would be more revealing about financial matters.

If you want to conduct an accounting, for whatever purpose, the only reliable way to do so is to review and analyze the thousands of pages of primary,

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immutable financial records we have provided to you - bank statements, PayPal records, 2CO records, invoices, receipts, etc. Your attempt to avoid this exercise makes no sense because even if the QuickBooks appeared to you to be internally consistent or consistent with tax returns, the only way to truly verify them would be to examine the underling financial records.

As you probably know, QuickBooks is simply an ongoing internal spreadsheet, with new entries overwriting old ones. The alleged discrepancies between the hard copies produced earlier in the case and the more recent file you received are de minimis at most. If you compared the balance sheets carefully, you would have seen that they balance out. There are no significant differences between the report provided in the past and the QuickBooks provided now.

Defendants' Discovery Issues

1. Skype Chats

The existence of these chats was unknown to us until Mr. Kogan mentioned it in his affidavit. This reopens the very serious issue of the suppression of electronic communications, which was a subject of our Rule 37 motion. During our telephone conversation, you made it sound like these chats were supposed to be produced by Mr. Kogan a long time ago. These chats must be produced immediately.

In your memo to Mr. Kogan, dated February 21, 2010, a copy of which is enclosed, you say in regards to the Skype chats that "We've removed a lot from there since its Attorney-Client privilege." At that time, you were represented by Mr. Kogan. It was his job to make determinations about privilege, not yours. Moreover, any assertion of privilege had to be accompanied by a privilege log, identifying the parties to the chat, the date of the chat, and the subject of the chat.

More seriously, in your Memorandum in Response to Affirmation of Boris Kogan, dated April 27, 2011, on page 34, you claim that in early 2009 many chats were lost because Mr. Sakirski uninstalled Skype. Not only did Mr. Sakirski delete these chats from his own computer but told Ms. Bove and even Ms. Dolginov in Israel to do the same. This is the intentional destruction of evidence during the pendency of a lawsuit, which we intend to address with the Court.

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2. E-Mails

The situation with E-mails is similar to that of the Skype chats. The existence of these e-mails was concealed for many years and no one asserted a privilege. In your February 21, 2010 memo to Mr. Kogan, you claim that there are thousands of e-mails (by our calculation over 85,000) which are privileged for various reasons – Attorney-Client, trade secrets, etc. As with the chats, you must produce these e-mails immediately. It is improper for you to just claim that they are trade secrets or Attorney-Client privilege across the board. Indeed, as you are aware, Mr. Kogan was warned against doing just that by the Court.

Your emails with Mr. Kogan reveal your conclusion that the Mikhlyns did not produce email between themselves after April 2008. Your surmise is incorrect and also provides no basis for hiding relevant evidence in discovery. As with the Skype chats, we intend to address this issue with the Court in the near future.

3. QuickBooks

In your Response for Plaintiff's Opposition to Defendants 3 Motions, dated October 1, 2010, point E, page 11, you stated that Defendants do not maintain QuickBooks. This is patently untrue for two reasons: 1. you recently produced QuickBooks to us; and 2. in your e-mail to Mr. Kogan, dated December 20, 2009, a copy of which is enclosed, you say "We didn't give... QuickBooks, or whatever takes their place." This is just another example of you misleading the Court.

4. Tradeindicator, Inc. Subpoena

In the same December 20, 2009 e-mail to Mr. Kogan, in point #18, you say "Boris, I'd also like to remind that they're trying to request a Subpoena for Tradeindicator, Inc. to which our Anna Bove Company LLC has been paying rent since 2008."

You obviously knew that this subpoena was served on you yet you have only produced 4 pages of documents less than two weeks ago in response. Again, the subpoena was served and remains outstanding for almost 2 years. During our recent telephone conversation you insisted that there are no documents to

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produce. This is belied by the above quoted sentence. Anna Bove Company LLC obviously has a financial relationship with Tradeindicator, Inc. We are also enclosing a copy of a Tradindicator, Inc. invoice, which shows that a total of \$23,398.00 was paid to Tradeindicator by Anna Bove Company LLC. Therefore, all relevant documents must be produced immediately.

5. Other Documents

In the same December 20, 2009 e-mail you say "We didn't give... Order of clients = trade secret. Clients checks = trade secrets." As above, you cannot unilaterally keep documents back. You must disclose the existence of these documents and assert privilege. There is a Protective Order in place which identifies various categories of documents and the level of protection accorded to them. Therefore, you must produce these documents promptly.

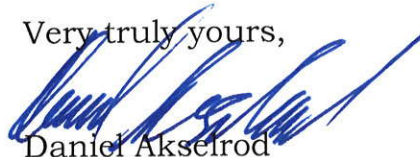
Depositions

Once the above documents are received and reviewed, or once the Court rules regarding such production or non-production of documents, we will schedule Ms. Bove's depositions. We are open to scheduling Vadim and Inga Mikhlyns depositions before that.

TreaDelight Trademark

Our clients inform us that the ThreaDelight trademark is scheduled to expire in the near future. We propose that, while the lawsuit is pending, to conserve the status quo, the trademark be renewed and held by the same four parties: Vadim and Inga Mikhlyn, Ana Bove and Polina Dolginov. All documents will be approved by both side's attorneys and any government fees associated with the renewal will be shared equally. Please let us know if you agree promptly.

Very truly yours,



Daniel Akseirod

DA/st
Encl.

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02.21.10.

Marina, Boris, hello!

Unfortunately this letter didn't turn out to be short, but this is interesting, and as it seems to me, this is very important since it proves another of Mikhlyns' lies to the Judge.

I'd like return again to the most important, as it seems to me, issue - Court Requests №3:

3. Reyes wants to know what volume of chats/emails exist post April '08, and what would be involved in reviewing them to determine which are privileged.

First: Mikhlyns, while demanding from us chats/emails for the «post April'08» period, by themselves have provided us only 12-15 emails for 2008, and even those were the ones that they wanted, and that benefited them when filing to the case. (See the first Mikhlyns' CDs). If Mikhlyns think that this isn't so, and that they provided us enough business chats and emails for «post April'08» period, then they should specify where exactly this information is located.

Second: Mikhlyns demanded from us "all!!!" e-mail correspondence with our clients for 2008-2009, and by themselves didn't provide us any emails from their clients for the «post April'08» period. If Mikhlyns think otherwise, then they should specify where this information is located. They didn't give it.

Third: Eric demanded from us "all!!!" of our business correspondence between Anna Bove, Polina Dolginov, Alex Sakirski and other parties, while making excuses that Inga and Vadim didn't correspond with each other, since they're always located together, and therefore they don't have any business correspondence.

3a) This is another lie of Mikhlyns and Eric. From Vadim's testimony during his deposition we know that after April'08 their work places are located on different floors, and they're forced to write to each other, in order not to be running from one floor to another constantly.

3b) From the financial information received from Mikhlyns it follows that hired employees are constantly working for them - customer service, designers and others, who also sit near computers, and surely correspond with them via emails and chats. Mikhlyns should have been corresponding with them regarding various business issues, also. Finally, Olga Plyuschay (Inga's daughter), was always working from her home. She was daily and constantly corresponding with Mikhlyns regarding her specific work, and other issues. Without this Olga simply wouldn't be able to work.

** However, Mikhlyns didn't provide us any significant business correspondence for the after-April-08 period. If Mikhlyns think otherwise, then they should show where this information is.*

*** Like I've said earlier, Mikhlyns have grasped all business correspondence up to April 2008, stole our correspondence for 2002-2003 (See their flash at Yoss!), didn't provide their correspondence for the after-April-2008 period, but at the same time are constantly complaining to the Judge that we don't give them something.*

Forth: Despite everything mentioned above -

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a) We have prepared and burnt 2,579 strictly-business emails for the "post-April-2008" period (80MB), which we are already ready to give them, in exchange for their correspondence.

b) Also, we've prepared 15,953 emails (1.25 GB), including trade secrets (addresses and emails of our clients, and also secrets of the sole designs production). Probably Boris will need to look through them, to make sure and to classify them?

c) I think, we shouldn't give neither (a) nor (b) to Mikhlyns. After all, they didn't give their emails for the "post-April-2008".

Fifth: We've counted the volume of information that you, Boris, will probably need to look through to determine it's privileges, since we're sure that this is Attorney-Client privileged information. This is:

a) 1,475 emails = 1GB of Russian e-mails with attachments in Russian. And also:

b) 65,700 documents = 12GB. These documents were received by Anna Bove, Polina Dolginov, Alex Sakirski, and also written by us regarding the case, including drafts, re-sendings to each other, translations and different versions. A huge lot of them are in Russian language. After all, for nearly two years we're amicably, all together writing and sending to each other documents regarding this case.

c) There's also our correspondence in Skype (chats). We've removed a lot from there since it's Attorney-Client privilege. But probably you'll need to check - whether we didn't remove an excess. All of this is also in Russian. Generally 99% of correspondence of Anna and Polina with me - it's Attorney-Client privilege. Overall, the majority of our communications are namely regarding this case, and not business. I nearly don't participate in business correspondence.

To summarize, I'd like to remind that we're talking here about a small on-line embroidery business. This business sells designs (for embroidery) via the internet, in electronic form, which can be downloaded directly from the internet site and pay for the purchase there as well, or receive by mail on CD. Except of designs, the business sells thread for stitching these designs, and a little bit of other supplies. Neither the thread, not the other supplies are produced by the business - it's just re-selling them. This business may be easily run by 2-3.5 people working full time.

What is to hide here? What plots and secrets are covered in emails? What kind of truth regarding the case do Mikhlyns wish to find in these business documents? All the secrets are - the database of our new clients, and our new products and methods of work. This is what Mikhlyns wish to receive, and also to drag the case, in order not to allow to uncover their long-term, constant and now proceeding larceny.

We're also ready to do and provide them ours, if this will be needed.

Alex.

From: AnnaBoveEmbroidery.com <support@annaboveembroidery.com>

To: Boris Kogan <bk@boriskogan.com>

Cc: db@boriskogan.com

Date: Sunday, December 20, 2009 09:56 pm

Subject: For the 12.22.09 meeting with Judge and Eric

Attachments:  Meeting-Boris-Judge-122209.doc (38KB)

12.20.09.
Hello Boris!

Here are the promised considerations regarding inquiries to Mikhlyns
(attach a document).

With respect,
Alex, Anna, Polina

=====
Attorney-Client Privilege.

This email, including any attachments, is intended only for the person or entity to which it is addressed and may contain confidential and privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from any computer.

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Symbols:

A) Supplies include: thread for embroidery machines, stabilizers, thread nets, bobbins and other supplies that are used for machine embroidery.

B) The first Orders also include orders and receptions of Supplies beginning from Jan 1 2004, including orders and receptions of Supplies by the company Raza Designs.

1. All documentation (including all the financial one), related to [REDACTED] Supplies, beginning from the very First Orders in 2004, up to the current moment (December 2009).

1. All documentation (including all the financial one), related to [REDACTED] Supplies, beginning from the very First Orders in 2004, up to the current moment (December 2009).

2. All documentation (including all the financial one), related to release from customs, and storing Supplies in places of cargo receptions, beginning from the very First Orders in 2004, up to the current moment (December 2009).

3. All documentation (including all the financial one), related to receptions (with specification of reception dates) and with delivery of cargoes to the places of long-term storage and sorting Supplies, beginning from the very First Orders in 2004, up to the current moment (December 2009).

4. A list of all Supplies storage places, with specification of storage periods.

5. All information about the opening and use of all merchant accounts, and also of PayPal merchant accounts, for accepting credit cards online and by phone, for the sites www.annabovcollection.com and www.abc-machine-embroidery.com. Including all transactions regarding payment for purchased merchandize and services, and also all notifications and transactions of transfers to bank accounts.

5. All information regarding the opening and use of all 2CO accounts, for accepting credit cards online. Including all transactions regarding payment for purchased merchandize and services, and also all notifications and transactions of transfers to bank accounts.

6. Data and all information (except of the already received one) of PayPal accounts, also related to ABC ALL Consulting, Inc, and receiving payments for ABC ALL Consulting, Inc..

8. All W2 forms of Plaintiffs, as well as their personal tax reports, since 2004 through the time being, since Plaintiffs stated that they have deposited client checks to their personal accounts.

9. All information about all business bank accounts of the companies ABC All Consulting, Inc and Anna Bove Collections, Inc (Boris, we've got only from one account in Gotham bank, but perhaps there are others?). In information provided to us there are some missing pages, and May 2005 is missing. Also copies of client checks are missing (personal and others), and there are also missing summary deposit slips, with lists of amounts deposited by clients and other parties, to the company account.

10. All information about all of the paid clients' orders. And especially about all orders paid by clients' checks, including payments by personal checks, bank checks and money orders to the personal names of Mikhlyns. What is their system for accounting such payments? Or, let them

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say that such accounting wasn't done.

11. All information about any money transfers from any business accounts of company ABC All Consulting, Inc and Anna Bove Collections, Inc, since this is exactly how were concealed the names where the money went. (Boris, to do a money transfer, they had either go to the bank and file application, or fill an application online). E.g. detailed information about money transfers is needed.

12. All information about all credit cards of the company ABC All Consulting, Inc and Anna Bove Collections, Inc. Within the information provided to us, many pages are missing. (Boris, here there's also needed a detailed information about money transfers, and moneys that they've been taking for themselves via checks, from credit cards and/or Home equity line of credit in "NationalCity". Account #4489 6183 2069 9284.) To all of these accounts, including also the "NationalCity", money from the business were transferred.

13. All information about all Plaintiffs' personal bank accounts and credit cards. Here the information about any money transfers is also important, since it's exactly how they've been concealing the names where the money were leaving. Within the information provided to us, regarding their personal bank account, many pages are missing. To all of these accounts, moneys were transferred from the business.

14. Detailed information is needed regarding the purchase of all 3 cars.

15. Detailed information is needed regarding payments for all 3 cars.

16. Detailed information is needed regarding Downpayment for the house, in spring-summer 2006. From what accounts, by what amounts did they pay?

17. Boris, just in case, I'd like to remind that they have inquired for Fusemail. If these are old accounts (old abc.all and abcembro), which they have grasped, then I'd like to say that these email accounts are still on Polin's name, and it would be good for us to get them back, and receive all information about clients.

If they inquired for ana.bove, which was opened at the end of March 2008, then since April 1 2008 it contains the correspondence with you. It can't be given. The same is correct about ana.bove@yahoo.com account, as well as all other email accounts of user "ana.bove". They include correspondence with you, trade secrets, customer emails, business passwords and other sensitive, privileged information.

~~Old accounts: abc.all@fusemail.com; abcembro@fusemail.com;
annb997@fusemail.com; polina@fusemail.com; ladydin@fusemail.com; New
account: ana.bove@fusemail.com; annaboveembroidery@fusemail.com;~~

18. Boris, I'd also like to remind that they're trying to request a Subpoena for TradeIndicator, Inc, to which our Anna Bove Company LLC has been paying rent since 2008. If this is only regarding rent payments themselves, then this is up to you, but if it's something more, then let's subpoena the Wells Fargos Bank, to whom they've been paying rent, for all of it's activities??? This is an absurd, isn't it? TradeIndicator, Inc isn't a participant in this lawsuit, it just was paid for rent. I hope that I understand this correctly, and you will get this

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We've given the following documents:

1. AB Israel "Leumi" Bank Statements
2. AB and PD Spain Bank Statements (Current and Savings Accounts)
3. AB Tax reports
4. AB and PD business and personal PayPal accounts
5. PD Israeli "Bank Hapoalim" Statements – need to pay, costs a lot, no money for this.
6. For Anna Bove Company, LLC and Anna Bove Embroidery Supplies, Inc, we've provided the following documents:
 - 6-1. Registrational documents.
 - 6-2. Yearly reports for 2008.
 - 6-3. Documents for the purchases of supplies, and for their receptions.
 - 6-4. Documents regarding UPS and USPS.
 - 6-5. Documents regarding the purchase of equipment for the offices, and for the warehouse.

~~CONFIDENTIAL~~

We didn't give: Agreement between AB and AS. Agreement between AB, AS and the "Investor". QuickBook, or whatever takes their place. Orders of clients = trade secret. Client checks = trade secret.

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TRADEINDICATOR INC

Invoices

2100 EAST 21 STREET
BROOKLYN, NY 11229

From Invoice	Invoice #	Date from	Date to

Bill To
Anna Bove Company LLC
2100 East 21 Street
Brooklyn NY 11229

	Service Description	Amount \$	Date	Invoice #	Check #	Status
1	Services for law suit and others	400	1/1/2009		1070	Оплачено
2	Services for law suit and others	400	1/12/2009		1082	Оплачено
3	Return payment for registr. Collections	500	1/15/2009		1086	Оплачено
4	Return payment for registr. ABC,INC	298	1/15/2009		1085	Оплачено
5	Rent office and office equipment	400	1/20/2009		1090	Оплачено
6	Services for law suit and others	600	1/26/2009		1096	Оплачено
7	Services for law suit and others	400	2/3/2009		1099	Оплачено
8	Rent office and office equipment	400	2/5/2009	Split	1105	Оплачено
9	Services for law suit and others	160	2/5/2009	Split	1105	Оплачено
10	Services for law suit, интернет сервис, Ebay Store and others	1000	3/2/2009	Split	1117	Оплачено
11	Rent office and office equipment	400	3/2/2009	Split	1117	Оплачено
12	Services for, интернет сервис, Ebay Store and others	400	3/5/2009		1123	Оплачено
13	Return Loan	500	3/20/2009		1129	Оплачено
14	Rent office and office equipment	400	4/8/2009	Split	1142	Оплачено
15	Services for law suit and others	200	4/8/2009	Split	1142	Оплачено
16	Office expences, интернет, tel-2, others	120	4/9/2009		1144	Оплачено
17	Services for law suit and others	500	4/14/2009		1149	Оплачено
18	Services for law suit and others	300	4/20/2009		1150	Оплачено
19	Services for law suit and others	200	4/21/2009		1153	Оплачено
20	Rent office and office equipment	400	5/4/2009	Split	1167	Оплачено
21	Services for law suit and others	200	5/8/2009		1160	Оплачено
22	Services for law suit and others	200	5/18/2009		1167	Оплачено
23	Services for law suit and others	800	5/27/2009		1169	Оплачено
24	Rent office and office equipment	400	6/3/2009	Split	1167	Оплачено
25	Services for law suit and others	200	6/8/2009		1176	Оплачено
26	Services for law suit and others	300	6/15/2009		1179	Оплачено
27	Services for law suit and others	700	6/21/2009		1183	Оплачено
28	Services for law suit and others	600	6/24/2009		1193	Оплачено
29	Services for law suit and others	300	6/30/2009		1197	Оплачено
30	Rent office and office equipment	400	7/3/2009	Split	1204	Оплачено
31	Services for law suit and others	600	7/9/2009	Split	1204	Оплачено
32	Services for law suit and others	800	7/16/2009		1206	Оплачено

33	Services for law suit and others	220	7/17/2009		1207	Оплачено	
34	Services for law suit and others	700	7/22/2009		1211	Оплачено	
35	Rent office and office equipment	400	7/3/2009	Split	1216	Оплачено	
36	Services for law suit and others	600	8/1/2009	Split	1216	Оплачено	
37	Services for law suit and others	600	8/10/2009		1223	Оплачено	
38	Services for law suit and others	800	8/18/2009		1226	Оплачено	
39	Services for law suit and others	400	8/26/2009		1232	Оплачено	
40	Rent office and office equipment	400	9/3/2009		1238	Оплачено	
41	Services for law suit and others	900	9/10/2009		1236	Оплачено	
42	Services for law suit and others	700	9/20/2009		1242	Оплачено	
43	Rent office and office equipment	400	10/3/2009	Split	1251	Оплачено	
44	Services for law suit and others	600	10/12/2009		1252	Оплачено	
45	Services for law suit and others	600	10/27/2009	Split	1261	Оплачено	
46	Services for law suit and others	400	11/1/2009		1264	Оплачено	
47	Rent office and office equipment	400	11/2/2009	Split	1272	Оплачено	
48	Services for law suit and others	200	11/12/2009	Split	1272	Оплачено	
49	Rent office and office equipment	400	12/3/2009			Not Paid	
50			21798			Totl Paid	
51							
19	2 month (decemb+January) rent office and office equipment	1200	1/15/2010				
20							
17							
18							
19							
20							
Thank You For Your Business.		Total	23398	2020439	0	55091	0