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December 22, 2006

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Hon. Laura Taylor Swain
United States District Judge
United States Courthouse
500 Pearl St., Room 755
New York, NY 10007

MEMO FORWARDED

Re: North American Karaoke-Works Trade Association v. Entral Group International, LLC,
No. 06 CV 5158 (LTS) (MHD)

Dear Judge Swain:

My firm represents the Counterclaim Plaintiff, Entral Group International LLC ("EGI"), in the above action. I write to clarify and confirm that EGI intends to continue with its counterclaims in the above listed action.

On December 14, 2006, we wrote to Your Honor requesting that the Court slightly modify its decision read into the record on December 13th at the initial Pre-trial Conference. That letter indicated that we believed striking all of Plaintiff/Counterclaim Defendants' pleadings would be more in keeping with the intent of the Court.

While we believe our intention to continue with the current action was clear in our letter, regardless of Your Honor's decision, we wish to state it explicitly, to avoid any doubt. Thank you for your attention to this matter.

The Court understands that Counterclaim Plaintiff intends to continue its claims. Counterclaim Defendant shall serve and file any opposition to the application

Respectfully submitted,

[Signature]
Robert E. Hanlon

REH:reh *to strike pleadings no later than December 29, 2006.*
cc: David Hoffman (by facsimile)

SO ORDERED.

[Signature] 12/22/2006

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[Signatures]
12/22/06