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Patent, Trademark, and Copyright Litigation

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May 28, 2010

Jennifer Halter, Esq.
Gibson, Dunn & Crutcher, LLP.
1200 Park Avenue
New York, NY 10166

Re: Gucci v. Durango Merchant Services, LLC., et. al.
SDNY 09-CV-6925

Ms. Halter:

As a supplement to Durango Merchant Services' discovery responses, and as a show of good faith to confirm that Durango is making a diligent effort to comply with all discovery requests, following please find a list of merchants referred by Durango to credit card processors who may have offered replica products (with general type of goods in parentheses, where known):

- "Design Silvers" (jewelry);
- "Purse Boutique" (purses)
- "Time Piece Watches" (watches);
- "Genuine Watches" (watches);
- "Cost Less watches" (watches);
- "Carbon Copy Replicas"
- "Exact Replica"
- "Air Jordan Wholesale" (shoes);
- "Summer Sunglasses" (sunglasses);
- "Bagtashia" (bags);
- "Grab the Bags" (bags);
- "Millennium Watches" (watches);
- "Discount Replicas";
- "Strive Handbags" (handbags);
- "Replica 4 You";
- "Bagrama" (bags);
- "Discount Replicas";
- "Hot Shot Watches" (watches); and
- "Finest Replica Handbags" (handbags).

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Upon information and belief, the above merchant processing accounts are closed.

It is important to note that Durango does not store old applications due to data security reasons. Therefore, Durango must rely solely on the processors' residual reports for account names. Durango would not know exactly what the merchant was selling unless the merchant's company name suggests same. As such, Durango has reviewed its residual reports and put forth its best efforts to identify account names that *may* suggest that the merchants were selling replica-based products

As noted on multiple occasions, it is not Durango Merchant Services' function, role, or responsibility to decide which merchants would represent acceptable accounts to approve for credit card processing, since the processing banks presumably perform any due diligence regarding same. Once again, Durango is merely a five-employee company that acts as a broker to refer merchants to actual credit card processors. As such, Durango is not familiar with the product lines of the above merchants or whether such merchants sold any products in which Gucci would be interested.

As you are aware, Durango receives only a very small flat fee and residual percentage as a result of each merchant account, and therefore needs several thousand accounts in order to operate. In light of the foregoing, upon information and belief, replica accounts amount to significantly less than one percent of all Durango merchant accounts, thus it can not be stated that Durango specializes in such account types.

Sincerely,

/s/ Todd Wengrovsky

Todd Wengrovsky