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August 29, 2006

Mr. Bobby N. Harmon

VIA EMAIL & U.S. MAIL

[REDACTED]

RE: James B. Nicholson, Successor Trustee v. Bobby N. Harmon,
Civil No. 05-00030 (U.S. District Court - Hawaii)

Dear Mr. Harmon:

This letter is written in reference to yours dated August 25, 2006. Specifically, your letter alleges that you are uncertain as to what material you are obligated to remove from your website. In light of our original requests that you remove all material related to the prior litigation, all material related to the terms of the Settlement Agreement, and all the extensive communication that occurred in connection with the arbitration before the American Arbitration Association, I think you are fully cognizant of what materials and information need to be removed from your website. Further, your letter quotes the definition for "Protected Subject Matter" which is set forth in the Arbitration Award. As such, we believe the record is clear as to what you are legally obligated to remove from your website.

We are not going to provide you with "a listing of all pages" which Judge Ezra has ordered you to remove within ten days of August 22, 2006. After you have made a good faith effort to comply with the Court's order and have reported to the Court and us as to what has been removed, we should then be able to communicate with you as to whether we think there is any additional material that needs to be deleted.

The pre-requisite to any dialogue is that you act in good faith. The goal has been for you to comply with the Settlement Agreement that was negotiated after you filed for bankruptcy. Upon seeing that you have taken positive action to comply with the Settlement Agreement, we will attempt to work with you as to any item that remains on your website which we believe falls within a category that you have been ordered to remove.

The purpose of this letter is to address your remarks as they pertain to the U.S. District Court's order. I had previously informed you that I would not respond to any correspondence from you which is not related to the enforcement of the Settlement Agreement.

Sincerely,



STEVEN GUTTMAN

cc: James Nicholson, Trustee
Steven Jay Katzman, Esq. (via facsimile only)
Gayle Lau, Esq. (via email only)