

Jamison J. Barr, Esq. Assistant General Counsel (617) 492-9099 ext. 269 jamison.barr@jenzabar.net

March 22, 2007

Richard Gordon Long Bow Group, Inc. 55 Newton Street Brookline, MA 02445

Re: www.tsquare.tv

Dear Richard:

Thank you for your letter dated February 27, 2007. I appreciated your thoughtful response, your offer to take certain corrective actions, your request for additional information and your willingness to re-examine your position in light of the additional information. I do take much comfort in your statement that the Long Bow Group ("Long Bow") strives "very hard to maintain intellectual integrity as well as compliance with and respect for the legal and individual rights of the persons and companies with whom" you work with.

Because your letter is based on some misunderstandings about the facts and the law, however, I'm taking you up on your offer to point out these errors – having included citations to case law where applicable -- and to request that you take corrective action.

At the outset, while I appreciate that Long Bow is reproducing articles that first appeared in other publications, that fact does not insulate Long Bow from liability for defamation. Massachusetts courts treat republishers of defamatory statements as the original publisher for purposes of determining liability. See Appleby v. Daily Hampshire Gazette, 395 Mass. 32, 36 (Mass. 1985) ("Generally speaking, the republisher of a defamatory statement 'is subject to liability as if he had originally published it'"). Similarly, the fact that the original articles were from respected sources, a republisher will be liable for defamation if it is negligent in republishing it. See Mac-Gray Services, Inc. v. Automatic Laundry Services, Co. Inc., 2005 WL 3739853, \*2 (Mass.Super. 2005), citing Reilly v. Associated Press, 59 Mass.App.Ct. 764, 769 (2003). A republisher is negligent if it knew or should have known of certain facts extraneous to the republished piece which would have raised doubts as to that piece's veracity. See Appleby, 395 Mass. at 40.

Long Bow Group, Inc. Page 2 March 22, 2007

Here, we have provided Long Bow with documented evidence that the allegations reported in these articles are false. First, the letter from Mr. DiLorenzo that Jenzabar previously filed was not merely a private communication; it was filed with the Superior Court for Middlesex County, attached to Mr. DiLorenzo's stipulation of dismissal (see Exhibit 1). Mr. DiLorenzo was the former CFO of Jenzabar whose allegations were reported in the *Boston Globe* article and republished on your website. See http://www.tsquare.tv/film/american\_dream.html ("Five former executives have sued Jenzabar, including the former chief financial officer, who accused Chai and Maginn of 'a number of unethical, inappropriate, and/or illegal actions."").

There were three other proceedings involving former executives, but the article falsely and misleadingly suggests that they had merit. In one case, John Pierce, the owner of a company that was purchased by Jenzabar, was found liable for making misrepresentations about the company; Jenzabar was awarded \$1.75 million in an arbitration proceeding, and Pierce was awarded nothing on his claims. I've attached a copy of the decision for your reference (see Exhibit 2).

In another case, Mahendran Jawaharlal, who had previously been CEO of Pierce's company, sued Jenzabar seeking to avoid his non-competition obligations. The court threw out his claims. I've attached a copy of the ruling (see Exhibit 3). Following that ruling, the company was awarded a judgment in its favor.

In the last case, Dwight Wyse was sued by Jenzabar for violating his fiduciary duties to the company. Mr. Wyse and his son then brought counterclaims, but *every one* was dismissed by the court. See the attached order (Exhibit 4). Dwight Wyse later agreed to a settlement with Jenzabar in which he agreed to forfeit considerable sums of money in payments that he would have received. That forfeiture was entered in open court and is part of the official court docket.

In view of this information, it is irresponsible and defamatory for your website to republish statements that Chai and Maginn were sued for allegedly committing "a number of illegal actions" without also stating that those allegations were later admitted to be false. It is similarly irresponsible and defamatory for your website to publish statements about lawsuits against Jenzabar, even suggesting that the claims had some truth, when a simple review of the public docket of the state and federal courts would show that all of the claims against Jenzabar were baseless. Regardless of what Long Bow might have known when it first republished the statements, it can no longer claim ignorance of their falsity.

Second, we've investigated your statute of limitations argument, and it fails on the facts. We have been able to determine, and have documentary evidence, that the defamatory statements that Long Bow republished on its website were posted on May 14, 2004. When a defendant has republished defamatory statements, a new cause of action for libel accrues for republications from the date of the republication. See Vondra v. Crown Publ'g Co., 2002 WL 31379948, \*4 (Mass.Super. 2002); see also Flynn v. Associated Press, 401 Mass. 776, 780 n.5 ("Any future republication of the false statements complained of in this action could form the basis for a new cause of action against the republisher."). Consequently, the statute of limitations has not yet expired.

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Finally, as to the use of Jenzabar's name as a metatag, there are countless cases -including cases in the District of Massachusetts -- that hold that the use of another's trademark in a metatag creates initial interest confusion. See, for instance, Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456, 464 (7th Cir. 2000) ("'[u]sing another's trademark in one's metatags is much like posting a sign with another's trademark in front of one's store.' As such, it is significant evidence of intent to confuse and mislead."); accord Australian Gold, Inc. v. Hatfield, 2005 WL 3739862 (10th Cir. Feb. 7, 2006); Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036 (9th Cir. 1999); Shainin II, LLC v. Allen, 2006 WL 1319405 (W.D. Wash. May 15, 2006) (metatag use supports preliminary injunction); Tdata Inc. v. Aircraft Technical Publishers, 2006 WL 181991 (S.D. Ohio Jan 23, 2006); Full House Productions, Inc. v. Showcase Productions, Inc., 2005 WL 3237729 (N.D. Ill. Nov 30, 2005); Victoria's Secret Stores v. Artco Equip. Co., 194 F.Supp.2d 704, 725 (S.D. Ohio 2002); J.K. Harris & Co. v. Kassel, 62 U.S.P.Q.2d 1926 (N.D. Cal. 2002); Aztar Corp. v. MGM Casino, 59 U.S.P.Q.2d 1460 (E.D. Va. 2001); New York State Soc. of Certified Public Accountants v. Eric Louis Assoc., Inc., 79 F. Supp.2d 331, 341 (S.D.N.Y. 1999); Niton Corp. v. Radiation Monitoring Devices, Inc., 27 F.Supp.2d 102 (D. Mass. 1998). These courts have recognized that consumers who use a mark as a search term to look for a company experience confusion when their search results include web sites not sponsored by the owner of the mark. Brookfield Communications, 174 F.3d. at 1045; Playboy Enterp., Inc. v. Netscape Communications Corp., 55 F.Supp.2d 1070, 1083 (C.D. Cal. 1999); Kev3Media Events, Inc. v. Convention Connection, Inc., 2002 WL 385546 (D. Nev. Jan. 25, 2002). There is no exception for "referential" uses, and, in any event, your website's use of Jenzabar's registered trademark in its metatags is plainly intended to divert traffic to your site, to more widely disseminate the defamatory information I've identified above. This is a bad faith, infringing use, and it is also an unfair and deceptive trade practice.

Because of this, more is required of Long Bow to put "this matter to bed," and Jenzabar must insist that Long Bow takes the following actions immediately:

- Remove the name "Jenzabar" from any all domains used by your website;
- Remove the name "Jenzabar," "Jenzabar.net" and "Jenzabar.com" from the source code of your website;
- Remove all of the false and defamatory information identified in this letter, including but not limited to the statement that "Five former executives have sued Jenzabar, including the former chief financial officer, who accused Chai and Maginn of 'a number of unethical, inappropriate, and/or illegal actions."; and
- Add the following disclaimer "This website is not in any way affiliated with Jenzabar, Inc."

Accordingly, please confirm by **no later than March 30<sup>th</sup>, 2007** that you've taken these remedial actions. If I don't hear from you by then, Jenzabar will be forced to start initiating legal proceedings without any further notice. Given your stated commitment to integrity and willingness to re-examine your position, I am confident however that, after you've reviewed the information (both the law and facts) provided and discussed them with your legal counsel, you will take the actions listed above.

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Please note this letter is sent in an effort to avoid litigation, and nothing in it should be taken as a waiver of any claims, positions, rights, or remedies that may be available to Jenzabar, all of which Jenzabar expressly reserves.

Sincerely,

Jamison J. Barr

Assistant General Counsel

Enclosures

COMMONWEALTH OF MASSACHUSETTS

M	ID	$\mathbf{D}$	LES	EX,	SS.

SUPERIOR COURT CIVIL ACTION NO. 02-1190

JOSEPH G. DILORENZO,

Plaintiff,

v.

JENZABAR.COM, INC. ET. AL.,

Defendants.

### STIPULATION OF DISMISSAL

Pursuant to Mass. R. Civ. P. 41(a), the parties to this action hereby stipulate that the claims of plaintiff Joseph G. DiLorenzo and the counterclaims of defendant Jenzabar, Inc. (formerly known as Jenzabar.com, Inc.) shall be dismissed with prejudice and without costs, interest, or attorneys' fees, and with all rights of appeal waived.

Respectfully submitted,

JENZABAR, IN

JOSEPH G DILORENZO,

Matthew Roberts (BBO #655057

**DUANE MORRIS LLP** 

470 Atlantic Avenue, Suite 500

Boston, MA 02110

<del>(6</del>17) 289-9200

Edward J. Naughton (BBO#600059)

HOLLAND & KNIGHT ILP

10 St. James Avenue

Boston, MA 02116

(617) 5<del>23-</del>2700-

Jamison Jon Barr (BBO #639601)

Jenzabar, Inc.

5 Cambridge Center

Cambridge, MA 02142

(617) 492-9099

ROBERT A. MAGINN and LING CHAI,

Joseph J. Brodigan (BBO #058020)
William D. Gardiner (BBO #545259)
Brodigan & Gardiner
40 Broad Street
Boston, MA 02109
(617) 542-1871

Jamison Jon Barr (BBO #639601) Jenzabar, Inc. 5 Cambridge Center Cambridge, MA 02142 (617) 492-9099

Counsel for Maginn and Chai

Dated: September \_\_\_, 2006

#### **CERTIFICATE OF SERVICE**

Edward J. Naug

2

### Joseph G. DiLorenzo Nine Silver Road Humarock, MA 02047-0510

September 22, 2006

Robert A. Maginn, Jr. Ling Chai c/o Jenzabar, Inc. 5 Cambridge Center Cambridge, MA 02142

Dear Bob and Ling:

Please accept my sincerest apologies for any personal and corporate pain caused as a result of the allegations made in my lawsuit filed by my attorneys. Although my attorneys filed this lawsuit to advance my interests, the subsequent and extensive discovery that was conducted demonstrated that the information provided to me by others that led to the allegations was not warranted and not supported by the evidence. These findings led me to believe that the claims against you and Ling personally were not warranted. As a result, I voluntarily withdrew those claims in early December, 2005 without receiving settlement payments to do so.

In addition, if you are ever asked by anyone regarding the allegations I made, please contact me immediately or have them contact me directly, as I personally stand ready to speak to anyone to correct them. Feel free to give them my phone number to contact me if needed.

Recognizing the pain and difficulties of the past, I really would like to help you, Ling and the Company in any way that I can. I look forward to putting this issue behind us and wish you well in the future.

Sincerely,

Joseph G. DiLorenzo



American Arbitration Association

Dispute Resolution Services Worldwide

L'Tanya Keith-Robinson Vice President, Case Management Center Wilhem Jordan Assistant Vice President

2200 Century Parkway, Suite 300. Atlanta, GA 30345 telephone: 404-325-0101 facsimile: 404-325-8034 internet: http://www.adr.org/

February 21, 2003

VIA FACSIMILE

John A. Rachel
Sulloway & Hollis, P.L.L.C.
9 Capitol Street
P.O. Box 1256
Concord, NH 03302-1256

Edward J. Naughton Holland & Knight LLP 10 St. James Avenue Boston, MA 02118

Re: 25 | 81 00115 01 John F. Pierce, Ph.D. and New Media Investors V, Inc.

Dear Parties:

By direction of the arbitrator(s), we herewith transmit to you the duly executed Clarification of the Award of the Arbitrators in the above matter.

A signed copy will be provided shortly.

Sincerely,

Gregory M. Smith Case Manager 888 320 4607 SmithG@adr.org

Encl.

cc:

James R. Adams Leonard S. Meranus William R. Hardy

### AMERICAN ARBITRATION ASSOCIATION Arbitration Tribunal

In the Matter of the Arbitration between

JOHN F. PIERCE, PH.D.

NEW MEDIA INVESTORS V, INC.

Case Number: 25 181 00115 01

# CLARIFICATION OF THE AWARD OF THE ARBITRATORS

WE THE UNDERSIGNED ARBITRATORS, having been designated in accordance with the Arbitration Agreement entered into by the above-named parties, and having been duly sworn and having heard the proofs and allegations of the parties, and having previously rendered an Award dated December 6, 2002, and John Rachel on behalf of John F. Pierce, PH.D. having filed an application for Additional Hearing and Clarification of said Award dated December 30, 2002, and Edward Naughton on behalf of New Media Investors V, Inc. having responded by brief dated January 8, 2002, do hereby, DECIDE, as follows:

The motion of John F. Pierce, PH.D. for additional hearing is Denied.

Pursuant to Rule R-48 of the Commercial Dispute Resolution Procedures, in effect at this time, the Award heretofore issued herein is amended to correct certain clerical omissions so that the Award, in its entirety, is as follows:

- With respect to the claim of John F. Pierce ("Pierce") for reasonable attorneys' fees and expenses incurred in obtaining the deposits due the Escrow Account from New Media Investors V. Inc. ("New Media") which were in default for the periods from September and November, 2000 through August, 2001, Pierce would be entitled to a reasonable amount therefore as "Damages" as defined in Section 10.2 of the March 16, 2000 Share Purchase Agreement (the "Share Purchase Agreement"), but the Panel has determined that such amount is substantially less than the \$125,000 "basket" set forth in Section 10.6(a) of the Share Purchase Agreement, and, therefore, no amount is awarded to Pierce from New Media on account of such claim.
- Pierce did not breach any warranty or representation in the Share Purchase Agreement with respect to the software development agreement between CARS and Larsen & Turbro Information Technology, Ltd.,
- With respect to the claim of New Media for indemnification for damages related to the International Business Machines Corporation claim against it for royalties due from CARS' use of IBM/Informix products (the "IBM/Informix Claim"), the Panel finds as follows:
  - 3.1 The circumstances which gave rise to the IBM/Informix Claim constituted a breach of various warranties and representations made by Claimant under the Share Purchase Agreement as to the condition of CARS as of March 16, 2000.
    - New Media's claim therefore was timely filed in this proceeding. 3.2
- Except as provided otherwise in Section 10 of the Share Purchase Agreement, Pierce's representations and warranties set forth in Section 4 of the Share Purchase Agreement are unqualified, and are not limited by requirements of knowledge or materiality.
- 3.4 For purposes of the limitations on indemnification obligations in Section 10.6 of the Share Purchase Agreement, there is no evidence that Pierce had actual knowledge of

the breach of any representation or warranty related to the IBM/Informix Claim or that there was any intentional breach by Pierce of any covenant or obligation with respect thereto.

- 3.5. New Media has suffered Damages, as defined in Section 10.2 of the Share Purchase Agreement, arising out of transactions occurring prior to March 16, 2000 in excess of \$1,875,000, but Pierce's aggregate liability to New Media for damages under the Share Purchase Agreement is limited to \$1,750,000 under the provisions of Section 10.6(a).
- 4. Since the amount awarded to New Media under Paragraph 3 is the maximum aggregate amount that can be awarded as Damages under Section 10.6(a) of the Share Purchase Agreement, the Panel makes no award to New Media for its claim for attorneys' fees and expenses incurred in its defense of the IMB/Informix Claim against it or in this arbitration proceeding, or any interest thereon.

Therefore, we AWARD as follows:

The claim by John F. Pierce Ph.D. is Denied.

On the claim by New Media Investors V, Inc., John F. Pierce, Ph.D. shall pay to New Media Investors V, Inc. the aggregate sum of ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS (\$1,750,000.00) no later than March 21, 2003, without interest.

The administrative fees and expenses of the American Arbitration Association and the compensation and expenses of the Panel totaling FIFTY-THREE THOUSAND TWO HUNDRED THIRTY DOLLARS AND THIRTY-SIX CENTS (\$53,230.36) shall be borne equally by the parties

This Award is in full settlement of all claims submitted to this arbitration. All claims not contained herein are Denied.

In all other respects, the Panels Award dated December 6, 2002 remains in full force and effect.

So ordered:
James R. Adams, Chairman
William R. Hardy
Leonard S. Meranus

TO: 92414771

P. 02

SEP-02-2003 13:28 FROM:H/C COURT RM. 520

P.002/006

### COURT OF COMMON PLEAS HAMILTON COUNTY, OHIO

MAHENDIAN JAWAHARLAL

Case No. A0203251

Plaintiff

(Judge Nichaus)

V3.

CARS INFORMATION SYSTEMS CO.,

OPINION GRANTING

et al.

SUMMARY JUDOMENT TO

Defendants

DEFENDANTS

This cause came before the Court on the motion of the defendants for summary judgment. The plaintiff filed in opposition thereto.

After considering the affidavits and depositions in evidence and the memoranda of counsel the Court issues this opinion.

The case arises out of an employee buy-out contract which contained a non-compete agreement wherein the plaintiff Mahendran Jawaharlal agreed to leave CARS Information Systems Corporation in return for \$107,000. He also agreed pursuant to the terms of the written contract between the parties dated August 31, 2001 not to be employed by certain companies whom "CARS" and "Jenzabar" believed were its competitors.

Plaintiff Jawaharlal filed suit against CARS Information Systems Corporation for breech of the above contract. According to plaintiff Jawaharlal "CARS" failed to make timely reimbursement of a COBRA payment as required under the contract resulting in a breech.

The breech issue arose when Jawaharlal submitted his request for payment for reimbursement of his COBRA payment and, according to Jawaharlal, the defendants were three days late in reimbursing him. Jawaharlal refers to the terms of the contract specifically §3.2 Benefits, wherein CARS/Jenzabar agreed to reimburse Mr. Jawaharlal for his COBRA payment "within ten (10) business days of Mr. Jawaharlal's written submission of evidence of payment for the premium payments.

Mr. Jawaharlal submitted a copy of a non-negotiated check by c-mail as evidence of payment on October 27, 2001, a Saturday, requesting he be reimbursed for the \$1,766 COBRA payment. The reimbursement was not paid until November 12, 2001.

Subsequent discovery disclosed the postmark on the envelope in which the original check was mailed was dated November 1, 2001. Thus the COBRA check could not have been received and negotiated prior to November 2<sup>nd</sup> or November 3<sup>nd</sup> at the earliest. This is extremely important because Jawaharlal was required by §3.2 of the contract to provide evidence of payment for the premium payments in order to receive reimbursement. This was the second COBRA reimbursement check payment under the contract. The first one was for August-October 2001 and this payment was for November, 2001-January 2002. Originally Jawaharlal brought his COBRA payment to Jenzabar/CARS for mailing to COBRA as evidence of payment. Jawaharlal asserts the c-mailing of a copy of the non-negotiated check as evidence of payment was agreed to by Jenzabar/CARS through their agent by e-mail.

A number of problems arise when seeking to apply conclusions of law to Jawaharlal's version of the facts and their legal significance. Section 20 of the Contract states "No waiver (of a provision of the contract) shall be valid unless prepared in writing and signed by either Mr. Jawaharlal or any officer of director of Jenzabar on behalf of the party granting the waiver." Is an e-mail message "a writing signed by" a proper party? Obviously it may be a writing but it is not signed by a party and in violation of the terms of the contract.

P.004/006

SEP-U2-2003 TUE 02:57 PM THOMPSON HINE LLP

Furthermore, is Jawaharlal's non-negotiated check "evidence of payment" under the contract such that it starts the 10-13 business days clock running? (Under the scenario of the November 1st mailing of the check the reimbursement was timely since the check could not have been received by the payee until November 2<sup>nd</sup> or 3<sup>rd</sup> 2001.)

Since "evidence of payment" is not specifically defined under the contract, the Court must look to the legal definition of "evidence of payment" under Massachusetts law. (The law of the contract is designated as the laws of the Commonwealth of Massachusetts.

Under United States c. Forcelli 610 F.2d 25 delivery of a check is at best of limited functional significance. In the absence of a special agreement a check is but conditional payment even when delivered to the payee. (Also see GMAC v. Abington Casualty Ins. Co., 413 Mass. 583. In Noble v. John Hancock Mut. Life Ins. Co., the Court noted. "Absent an agreement to the contrary, a waiver or estoppel, the receipt of a check constitutes only a conditional acceptance conditioned on its being honored. Therefore in this case the e-mailing of the non-negotiated check was not proof of payment under Massachusetts law.

Finally, if there was a failure to timely pay the reimbursement of the \$1,766 COBRA payment was it "material breech"?

In Petrangelo v. Polistd 356 Mass. 696 the Court cites Restatement (Second) of contracts §237 (1981); 6 Williston, Contracts §829 (3rd ed., 1962) "Only a material breech of contract ... justifies a party thereto in rescinding it." Although a material breech may be a jury question, a small breech may be ruled not to be material as a matter of law. See Nat'l Mach, and Tool Co. v. Standard Shoe Mach. Co. 181 Mass. 275, Gold v. Concentra Preferred Sys., Inc. 2001 WL 755829, 6 (Mass. Supra 2001). Thus referencing "Gold" the amount of the breech in this case was a little over 1% and was late for only 3 days (if you accept

plaintiff's assertions that the reimbursement was not timely which is not supported by the law or the evidence presented) where in <u>Gold</u> a breech of 1% for four days was not found to be a material breech.

An Ohio case, <u>Equitable Life Insurance Co.</u> of Iowa v. <u>Oerwick</u> 50 Ohio App. 277 cites "Williston on Contracts" 3d 1968 440 Section 32.9 which states under the "main purpose doctrine" a contract must be considered as a whole and the intent of the parties must be determined from the entire instrument and not the detached parts.

In this case the main purpose of the contract was to allow Jawaharlal to have his employment association with "CARS" Jenzabar terminated in return for approximately \$117,000 in severance pay and benefits by "CARS"/Jenzabar. Jawaharlal agreed to enter into a non-compete covenant as part of the separation agreement between the parties. These were the main purposes of the contract. The issue of when and how the reimbursement of the COBRA payments was to be accomplished constituted only a part of the overall contract. Therefore the alleged changes and the non-material default alleged are insufficient reasons to void the "main purpose" of the contract which was to allow Jawaharlal to terminate his employment relationship with "CARS"/Jenzabar, and enter into a non-compete agreement.

Wherefore defendants' motion for summary judgment is hereby granted.

Counsel to submit an entry in conformity with this opinion on or before the 16th of September 2003 at 11:00 a.m.

SO ORDERED.

Richard A. Nichaus, Judge

### Naughton, Edward (BOS - X71401)

From: E:CFnotice@mad.uscourts.gov
Sent: Tuesday, October 05, 2004 1:10 PM

To: CourtCopy@mad.uscourts.gov

Subject: Activity in Case 1:02-cv-10998-RCL Jenzabar, Inc. v. Wyse "Order on Motion for Summary

Judgment"

\*\*\*NOTE TO PUBLIC ACCESS USERS\*\*\* You may view the filed documents once without charge. To avoid later charges, download a copy of each document during this first viewing.

United States District Court District of Massachusetts

Notice of Electronic Filing

The following transaction was received from Lindsay, Reginald entered on 10/5/2004 at 1:10 PM EDT and filed on 10/5/2004

Case Name: Jenzabar, Inc. v. Wyse

Case Number: 1:02-cy-10998 https://ecf.mad.uscourts.gov/cgi-bin/DktRpt.pl?10937

Document Number:

Copy the URL address on the line below into the location bar of your Web browser to view the document:

Docket Text:

Judge Reginald C. Lindsay: Electronic ORDER entered granting [62] MOTION for Summary Judgment on Dwight O. Wyse's Counterclaims filed by Jenzabar, Inc. for reasons stated on the record at the hearing of October 5, 2004. The clerk shall schedule this matter for final pretrial conference. (Lindsay, Reginald)

The following document(s) are associated with this transaction:

1:02-cv-10998 Notice will be electronically mailed to:

Damon P. Hart dphart@hklaw.com

Franklin H. Levy fhlevy@duanemorris.com

Edward J. Naughton edward.naughton@hklaw.com, carol.oberg@hklaw.com

1:02-cy-10998 Notice will not be electronically mailed to: