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DEFENDANT INTERROGATORIES I: ATTACHMENT 9-1
SUSPENSION / TERMINATION LETTER FROM PLAINTIFF TO DEFENDANT

July 30, 2012

Dear Lee,

This letter follows up on the phone conversation we had earlier today.

Since the inception of our backing arrangement in July 2008, you have violated the agreement in several ways on numerous occasions. Such violations include not providing schedules on time, not providing updates on time, not providing tax forms on time, and behavior that can be argued to compromise making every effort to always play to the best of your ability. This latter point includes, but is not limited to, you showing up late for tournaments, you drinking heavily the night before major tournaments and/or during tournament series, as well as consuming alcohol while at the tournament poker table.

During 2012, there has been noticeable improvement, but some violations have still occurred in 2012 and the point at which the damage to our business partnership could have been repaired passed. I am therefore terminating our backing agreement, effective 30 days from the date of this letter (that is, effective August 29, 2012) in accordance with the 30-day written notice provision in our agreement. Also in accordance with our agreement, I am invoking my 30-day temporary suspension of backing for reasons that prohibit me from providing funding, effective immediately.

Finally, as per the terms of our agreement, you are responsible for paying me all outstanding makeup (\$40,318.89). In addition to makeup as defined in our agreement, current outstanding makeup includes the \$5,000 which I loaned you on July 2, 2012 and we agreed to include in makeup. Specifically, with regard to outstanding makeup, our backing agreement states:

"If Lynne terminates the agreement due to Lee violating the agreement in any way, then Lee is responsible for paying all makeup as defined in the first bullet under "Termination of Agreement by Player" ... In this situation, makeup may be paid in equal monthly installments for a period of up to one year."

The current makeup of \$40,318.89 means twelve monthly payments of \$3,359.91 each. In addition, should the funds that are frozen on FullTilt ever be released, you owe me the full amount of frozen funds immediately upon release; according to figures you provided on May 12, 2011, this amount is \$1,151.11.

Based on what you told me on July 2, 2012 (when you asked me for the \$5,000 loan), you do not have the money readily available to pay this debt. While I am prepared to institute legal proceedings if necessary, I hope that you agree that there are other paths

that should be explored first. My goal is not to be punitive or to cause you hardship, but simply to collect what is owed to me as per the terms of our backing agreement. In fact, waiting for makeup to be reduced to well below six figures so it would be at a manageable level for you, is why I continued to back you in 2012 until now.

To the ends stated in the paragraph immediately above, I am giving you 30 days from the date of this letter (that is, through August 29, 2012) to find some means to repay the debt in full; one option would be a backer who will buy the existing makeup. In an effort to facilitate resolving your debt: (1) I will accept \$35,000 within the next 30 days in lieu of the full amount of \$40,318.89; and (2) I will also try to find you a backer who will buy the existing makeup for \$35,000.

Note that if all three of the conditions that follow in this paragraph exist at 12:01am EST on August 30, 2012, then I will have no alternative but to involve legal counsel. And should legal counsel become necessary, I will sue for all legal fees as well as the full amount of makeup (\$40,318.89): (1) Neither of us finds someone who buys the existing makeup for \$35,000 and wires the funds to our joint bank account with sufficient lead time for me to transfer the funds to my own account; (2) You do not submit a signed, notarized and legally binding statement that details a firm maximum twelve-month payment plan, including collateral for non-payment; and (3) I find someone to buy the existing makeup and said person is not acceptable to you as a backer. All three of the preceding points in this paragraph are subject to extension based on the suggestion in the paragraph immediately below.

I believe it is in both of our best interests to keep the other informed about progress related to finding someone to buy the existing makeup for \$35,000, as well as any other ideas you may have to settle your debt. Therefore, I suggest that we exchange a short email on Monday / Tuesday of each week beginning August 6, 2012. If you follow this suggestion (specifically, you email me with complete information about debt resolution progress on each Monday from August 6 through August 27, 2012 and I will then respond in kind within 24 hours), then I will be amenable to discussing an extension for payment of the \$35,000 at the end of the 30-day period. Otherwise, the makeup will revert to the full amount of \$40,318.89 on August 30, 2012, and I can only conclude that you prefer that legal proceedings be instituted instead of pursuing the alternative paths of resolution discussed herein.

If you have any questions about the content of this letter, or have any ideas for resolving your debt that are not discussed herein, please do not hesitate to contact me.

Sincerely,

Lynne B. Mitchnick