



Pillsbury
Winthrop
Shaw
Pittman_{LLP}

400 Capitol Mall
Suite 1700
Sacramento, CA 95814-4419

Tel 916.329.4700
Fax 916.441.3583
www.pillsburylaw.com

October 9, 2007

John S. Poulos
Phone: 916.329.4756
john.poulos@pillsburylaw.com

VIA CERTIFIED MAIL & FIRST-CLASS MAIL

Mr. and Mrs. Jack and Denni Mador
5045 Olive Oak Way
Carmichael, CA 95608

Re: Clara and Miles Miller

Dear Mr. and Mrs. Mador:

This firm has been retained by Clara and Miles Miller in connection with your non-payment of \$375,000 loaned to you in 2005 by Mrs. Miller and her husband. As you know, the Millers trusted you based on the special relationship you had established with them through the Jewish community over the years. Because of that trust, the Millers turned over much of their savings to you for what they thought was a safe investment in a highly-valued local pharmacy company, with a strict schedule for repayment. You and the Millers executed multiple promissory notes, which you personally guaranteed, totaling \$375,000. Additionally, the Millers are informed that you defrauded them out of another \$50,000 by forging Mrs. Miller's signature on a check. Thus, the total outstanding to the Millers amounts to \$425,000, plus interest.

As you are also aware, the Millers initiated legal action against Richard and Hilda Niemi and Gold River Pharmacy. They refrained from naming you in that suit in the hopes that you would meet your obligation to make them whole. They are disappointed that you have chosen not do so. Accordingly, this firm is prepared to file a lawsuit on the Millers behalf alleging claims against you for fraud, breach of contract, breach of guarantee, and violations of California's Elder Abuse and Dependent Adult Civil Protection Act (Cal. Welfare and Institutions Code § 15657 et seq.). These claims will seek all monies due and owing the Millers, in addition to punitive damages, attorneys' fees, and all other remedies permitted under the law. Upon a showing of fraud, the Elder Abuse statute mandates the award of attorneys' fees and relaxes other laws regarding the award of damages for pain and suffering or punitive damages. In light of your forgery of the Millers' check, your doctoring of the promissory notes, and your predatory behavior

Jack and Denni Mador
October 9, 2007
Page 2

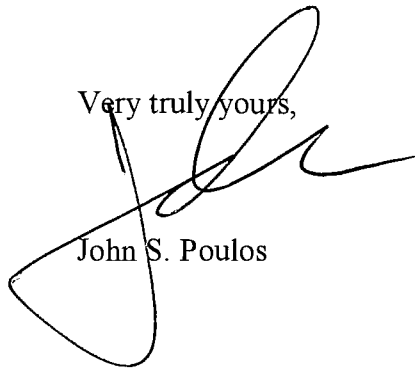
regarding a trusting elderly couple, we are confident in the Millers' ability to establish fraud and all other claims.

The Millers will delay filing the lawsuit until Monday, October 15 so that you have an opportunity to repay all outstanding money. Please contact my office by close of business on Friday, October 12, 2007 to discuss repayment options.

Rest assured, neither the Millers nor this firm have any intention of going away quietly. If necessary we will pursue the Millers' funds through bankruptcy, future wages, and any and all assets you might possess now or in the future.

I look forward to your prompt response.

Very truly yours,

A handwritten signature in black ink, appearing to be 'John S. Poulos', written over the typed name. The signature is stylized with a large loop and a long horizontal stroke.

John S. Poulos