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July 18, 2008

VIA EMAIL

Lance C. Venable, Esq.
Venable, Campillo, Logan & Meaney, P.C.
1938 East Osborn Road
Phoenix, AZ 85016

Re: MDY Industries, LLC et al. v. Blizzard Entertainment, Inc. et al., CV 06-2555
PHX (DGC)

Dear Lance:

I am writing to address the implications of Judge Campbell's July 14, 2008 Order granting Blizzard summary judgment on its claims for secondary copyright infringement and tortious interference against your clients MDY Industries and Michael Donnelly. In light of Judge Campbell's setting of a pre-trial conference date and associated deadlines for the remaining claims, I would like to set a time soon to discuss working together to prepare the materials required for the pre-trial order. Of more immediate concern, however, is your clients' intentions with regard to ceasing their sale and support of Glider in light of Judge Campbell's Order.

As you know, the Court has ruled that the sale and support of Glider constitutes contributory and vicarious copyright infringement and tortious interference with Blizzard's contracts with WoW players. Given this ruling, we presumed that MDY would cease any further sale and support of Glider. Based on our recent conversation, however, my understanding is that MDY at present intends to continue support of Glider. Indeed, it appears MDY employees are actively encouraging Glider users to continue breaching their contracts with Blizzard in response to inquiries about the Order's implication.

MDY's continued enabling and support of Glider following Judge Campbell's order amounts to willful infringement under copyright law as well as wanton and malicious tortious interference. Please note that should MDY continue such activity, Blizzard will seek the full


Lance C. Venable, Esq.
July 18, 2008
Page 2

enhanced and punitive damages such conduct entitles it to under the Copyright Act and Arizona law. Blizzard will also request that Judge Campbell award attorneys' fees for MDY's actions in defiance of the Order. Finally, if MDY does not intend to cease Glider sales and support voluntarily, Blizzard may seek immediate injunctive relief from the Court and to recover its fees and costs in connection with that request.

Accordingly, please inform us of your clients' intentions in this regard by Friday July 25, 2008. If your clients intend to persist in the conduct Judge Campbell has deemed unlawful, Blizzard will need updated information on MDY's post-decision sales and revenues, as well as any distributions of income from MDY to Michael Donnelly or other significant asset transfers by MDY or Donnelly. We believe this information is necessary for Blizzard to prepare its case for enhanced damages at trial, and to ensure that MDY is building sufficient reserves to satisfy an eventual judgment.

Please contact me at your earliest convenience to discuss your clients' intentions.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Genetski', with a long horizontal flourish extending to the right.

Christian S. Genetski