

Andrew Hall
Northern Light Music Limited
Noyna Lodge
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Colne
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BB8 7AS

Our ref RBT/B.1336-11
Direct tel 020 7360 8112
Direct fax 020 7360 6331
E-mail robin.tutty@ngj.co.uk
Your ref
Date 10 September 2004

WITHOUT PREJUDICE

Dear Sir

"THE CONVERSOR" ("THE PRODUCT")

We refer to your letters of 3 August, 6 September and 7 September 2004 addressed to our client, Jeremy Brassington of Bulldog Partners.

We note the comments which you have made in your various letters. We acted for the buyers in the sale of certain assets belonging to Sense-Sonic Limited. The relevant sale and purchase agreement does not contain any provision relating to royalties in the Product and our client was unaware of your alleged entitlement to royalties in respect of the Product prior to receipt of your letter.

We would respectfully suggest that the most sensible course would be for you to take up this matter with such party that you consider was under a contractual obligation to ensure you received future royalty payments.

Yours faithfully



Nicholson Graham & Jones

Mr Andrew Hall
 Northern Light Music Limited
 Noyna Lodge
 Manor Road
 Colne
 Lancashire
 BB8 7AS

Our ref RBT
 Direct tel 020 7360 8112
 Direct fax 020 7360 6331
 E-mail robin.tutty@ngj.co.uk
 Your ref
 Date 19 October 2004

WITHOUT PREJUDICE

Dear Andrew

CONVERSOR ('THE PRODUCT')

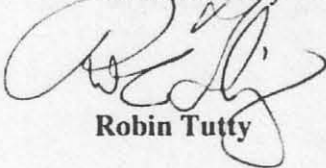
Thank you for your letter of 12 October 2004.

I have considered the points that you have made at some length. Unfortunately, in order for me to advise my client that it is liable to pay you royalties, I would have to demonstrate some form of legally binding obligation.

Whilst I appreciate that you took steps to try and preserve your rights, it would appear that somewhere in the chain of assignments from Northern Light Music to my client, that chain broke down. As such, your rights to receive royalties have not been effectively transferred. There are certainly no such rights reserved in the assignment of the assets of Sense-Sonic Limited to my client by the Administrative Receivers.

Accordingly, despite the points that you have made, I can see no legal basis on which a claim against my client can be made. However, I would be pleased to consider any further comments that either you or your lawyer wants to make.

Yours sincerely



Robin Tutty