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August 26, 2010

VIA FAX: (805) 643-1520

Steven J. Renshaw, Esq.
Christine A. Renshaw, Esq.
RENSHAW & ASSOCIATES
107 Figueroa Street, Suite 600
Ventura, CA 93001

Re: Michael Bay / Joshua James Stewart, Paul J. Klimczak, et al.
Our File No.: 1987-1

Dear Mr. Renshaw and Ms. Renshaw:

We are litigation counsel to Michael Bay and are writing regarding the specious lawsuit you filed against Mr. Bay on behalf of your clients Joshua James Stewart and Paul J. Klimczak. The absurd lawsuit was filed against Mr. Bay without any factual basis whatsoever, and the claims asserted against Mr. Bay are false and fabricated. *We demand the immediate dismissal with prejudice of the Complaint against Mr. Bay, as well as a sincere public apology.*

The Complaint falsely alleges that Mr. Bay supposedly employed an armed private security guard ("Doe #1") who was with him at the Kiss Nightclub on August 24, 2008, and that "Doe #1" purportedly engaged in an altercation with your clients because my client supposedly failed to "properly supervise his employee" (the so-called "Doe #1"). Each and every aspect of this outrageous claim is patently false. First, my client had no private security with him on the evening in question. In fact, my client has *never* hired private security or a bodyguard — not "Doe #1" or anyone else. Furthermore, my client was not even at the Kiss Nightclub that evening, nor was he there on any other evening. He was having dinner with six other couples at an adjacent restaurant that evening, and he never went to the club. My client has no connection at all, let alone an employer/employee relationship, with "Doe #1" or anyone who was purportedly involved in the alleged altercation with your clients. My client had nothing to do with what supposedly transpired between your clients and "Doe #1" at the Kiss Nightclub, and the lawsuit was maliciously filed against Mr. Bay in the utter absence of any probable cause whatsoever.

Mr. Bay has never hired a private security guard, armed or otherwise, and he has no idea who "Doe #1" is. Although we do not know who "Doe #1" is, we do know that he is *not* Mr. Bay's security guard. Had you conducted even minimal due diligence and investigated the facts before filing the lawsuit against my client, you, too, would have known the true facts before the suit was filed, and would have known that there was no basis whatsoever to sue Mr. Bay.

Steven J. Renshaw, Esq.
Christine A. Renshaw, Esq.
RENSHAW & ASSOCIATES

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August 26, 2010

Page 2

It has not escaped our notice that the lawsuit was filed at the last possible moment before the expiration of the statute of limitations, on the two-year anniversary of the alleged altercation. The eleventh-hour filing is no excuse for your failure to conduct a rudimentary due diligence investigation before filing a lawsuit. My client was never contacted by you or your clients about this matter at any time during the two-year span between the alleged altercation and the lawsuit's filing. Of course, if my client had received a demand on your clients' behalf before you filed suit, you would have been provided with the facts confirming that there is no factual or legal basis to assert any claims against Mr. Bay. Ironically, it is your clients, not mine, who now face substantial legal exposure.

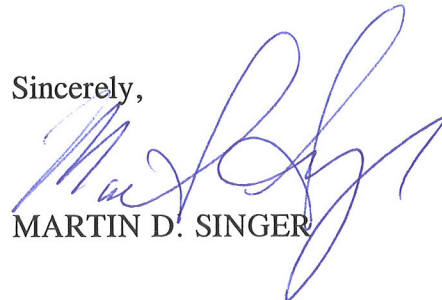
This is a textbook case of malicious prosecution. It is readily apparent that your clients' outlandish claims against Mr. Bay have no factual or legal basis. The failure to immediately dismiss the Complaint against Mr. Bay with prejudice would be outrageous in the extreme and malicious by definition. Any delay in dismissing the Complaint against Mr. Bay will redound to the detriment of you and your clients, since it will necessarily result in an escalation of the damages to which you and your clients will be exposed for malicious prosecution.

We cannot overemphasize the seriousness of this matter. We demand the immediate dismissal with prejudice of the Complaint against Mr. Bay, as well as a sincere public apology. If you fail to comply with these demands within five (5) days of your receipt of this letter, the predictable result of your conduct will be an action for malicious prosecution against you and your clients.

You proceed at your peril.

This letter does not constitute a complete or exhaustive statement of all of my client's rights or claims. Nothing stated herein is intended as, nor should it be deemed to constitute, a waiver or relinquishment of any of my client's rights or remedies, whether legal or equitable, all of which are hereby expressly reserved.

Sincerely,



MARTIN D. SINGER

MDS:lg

cc: Mr. Michael Bay (via email)
Robert Offer, Esq. (via email)
Lynda B. Goldman, Esq. (via email)