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VIA FACSIMILE

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Re: Blueberry Software Receivership
Our File No. 9512-001

Dear Steve, Kevin and Larry:

Attached is a transcription of a voice mail which Dave Peralta left several days ago (I've been out of the office, ill). In the meantime, I also received an email from Mary Tarranino indicating that I should now call Peralta to advise him of the approaching audit. I am concerned that the audit may push Arbortext in the direction of a cancellation, and not a buyout. I think it would be prudent to revisit this concept with Judge Jensen. I intend to contact his clerk to ascertain whether the court wishes have further discussion of the audit in light of this email.

Very truly yours,

MORGAN MILLER BLAIR



RICHARD G. BLAIR

RGB:cab

MEMORANDUM

TO: FILE/RGB 9512-001

VM FROM: DAVE PERALTA

DATE: May 19, 2004

RE: Beigel v. Dwan Receivership

SUBJECT: ARBORTEXT

Hi Dick, this is Dave Peralta from Arbortext. It is Wednesday afternoon about 1:30 my time - that's East Coast time. I got your message of a few weeks back and I appreciate you following up and giving me the background in terms of where things stand. I guess I am optimistic that the court will support a buyout somewhere along the lines consistent with what we presented to you in that letter. I will say this though, and I kind of wanted to discuss this interactively so I can give you a feel for where we are at, we have been researching other alternatives given the situation and given the concern over the lack of support from Blueberry, and I think we have a viable alternative solution now that I think would be quite a bit less expensive for us. So I just wanted to preface any future discussions you might have with the Judge that that's only one of the factors in our minds as we go forth. If you get a chance, you want to give me a call, I'd be happy to share that with you. I'm actually working from home today. My home business line is (734) 513-9437. Otherwise I will be back in the office - actually I'll be in the home office tomorrow - but I'll be in the regular office on Friday. Thanks Dick, hope all is well. Take care.