February 10, 2009

<u>WITHOUT PREJUDICE</u>

Matthew Heick
20 McKinley Ave.
Upper Jamestown, NY 14701
716-708-5240
matt@mcpinc.com; matthewjheick@yahoo.com

VIA ELECTRONIC MAIL

Dear Mr. Heick:

You are apparently the author and distributor of the "autorayter" software, created for the sole purpose of defrauding Utherverse. The software is currently hosted at http://www.unliterate.net/autorayter. This letter from Utherverse's legal department is an attempt to settle this matter prior to filing litigation.

Your software is described on your web site as a stand-alone program that "automate[s] the ray gathering process for users of utherverse.com." Your site reports that from the subset of users allowing statistical collection, at least 19,201 rays have been generated in this manner, the program has been used by 705 unique users, and has been run 4,078 times. Your website describes the program as interacting with the Utherverse servers a minimum of 95 times each time it is run. Your software is also programmed to defeat the "captcha" security barrier protecting online content from automated access, expressly defeating Utherverse's efforts to prevent this kind of fraud.

As you know, Rays are a "virtual points" feature of Utherverse, designed to enhance the social community and games for customers of Utherverse. Under certain circumstances they can function as an in-game credit to acquire or access other virtual game features. Your software's unregulated flooding of fraudulently obtained Rays into the game has, and continues to, cause Utherverse significant damage.

The contract with Utherverse that you agreed to on numerous occasions, including on January 29, 2009, provides, in paragraph 2.6, that: "YOU shall not use any script, automated process ... or other mechanism to generate activity on your behalf (excluding actual interaction by YOU) on OUR services (collectively "Prohibited Script Activity"), to generate virtual or other currency or points .... Any such use shall be considered theft of service and reported to law enforcement. Furthermore, all of YOUR (a) in-world possessions, rights, credits, or other items whether of value or not, and (b) credits or balances held by us, whether real or virtual currency, shall be voided without refund to you. In addition, because it is difficult to estimate the damage to US as a result of Script Activities, the parties hereto agree that the damages shall be fixed at $1 U.S. Dollars for every incident of Prohibited Script Activity, plus the actual amount of money, if any, received by YOU either directly or through a third party, as a result of any Prohibited Script Activity. An incident of Prohibited Script Activity shall be a single interaction with any interface of OURS, such as a single transmitted "mouse click" or a single transmitted character. So, for example, a script that clicked a picture, clicked a rating, then clicked the "next" button, and repeated the process ten times would constitute thirty "single interactions" of Prohibited Script Activity."

As your software has been run at least 4,078 times, generating a minimum of 95 Prohibited Script Activities every time it is run, you are responsible for an aggregate of at least 387,410 Prohibited Script

Activities. Because you have agreed to pay liquidated damages of one dollar for each Prohibited Script Activity, Utherverse intends to file litigation against you for the full amount of liquidated damages, $387,410.

Your software is designed solely for the purpose of defrauding Utherverse. You have used interstate wires to distribute this software to a network of at least 705 co-conspirators also engaged in this massive fraudulent enterprise. Under 18 U.S.C. section 1964 (civil remedies under the Racketeering Influenced and Corrupt Organizations Act), Utherverse is entitled to triple damages and attorney's fees.

We also direct you to the United States Department of Justice manual entitled Prosecuting Computer Crimes" (the "Manual"), found at http://www.usdoj.gov/criminal/cybercrime/ccmanual/ccmanual.pdf. We believe your creation, distribution, and use of the "autorayter" software likely violates Title 18 of the United States Code, Section 1030. As described on page 6 of the Manual, "[i]n the simplest of prosecutions, a defendant without authorization to access a computer may intentionally bypass a technological barrier ... that prevented him from obtaining information on a computer network." Your software clearly does this by defeating the technological barrier of CAPTCHA protection. Furthermore, your software directly violates the terms of service, and constitutes a violation of "clearly defined computer access policies" (i.e. the Terms of Service to which you have repeatedly agreed), as described on page 9 of the Manual. By distributing software that defeats the CAPTCHA routines, you have also "knowingly and with intent to defraud traffick[ed] in computer passwords and similar information", by distributing "a set of instructions or directions for gaining access to a computer". Manual, pages 46-47.

In short, and without even attempting to compile a complete list, it appears that you have criminally (a) "accesse[d] a computer without authorization or exceed[ing] authorized access", where such access "involved an interstate or foreign communication", in violation of 18 U.S.C. § 1030(a)(2)(c); (b) "knowingly and with intent to defraud, accesse[d] a protected computer", in violation of 18 U.S.C. § 1030(a)(4); (c) "knowingly cause[d] the transmission of a program, information, code or command, and as a result of such conduct, intentionally cause[d] damage without authorization, to a protected computer", in violation of 18 U.S.C. § 1030(a)(5)(A)(i); and (d) "knowingly and with intend to defraud traffic[ked] in any password or similar information through which a computer may be accessed without authorization, if ... such trafficking affects interstate or foreign commerce," in violation of 18 U.S.C. §1030(a)(6). While these are violations of criminal law, regardless of whether section 1030 provides for a private civil cause of action, your contract with Utherverse does provide for such a civil action. The Terms of Service specifically provide that Utherverse may recover in a civil action any damages it may have suffered as a result of your failure to comply with U.S. law (see paragraphs 1.6, 1.6(c), and 11 of the Terms of Service, among others).

We will discuss settlement of any potential civil liability that arises from your acts, including civil damages under RICO and civil damages for breach of your contractual agreement to comply with U.S. law. However, under no circumstances will we agree to discuss whether or how these acts have been reported to any criminal authorities, nor will we agree to any limitations on our ability to report these acts or assist in any prosecution. The right to bring criminal charges is held by the government, and we therefore inform you at the outset that we will not initiate or respond to any communication that attempts to tie any potential civil litigation to any potential criminal charges. We believe you have civil liability under RICO, and for breach of contract resulting from your violation of various portions of 18 U.S.C. § 1030. The scope of this letter, and any discussions we will have, is strictly limited to such civil liability.

While we cannot control whether criminal charges are brought against you, we can offer to settle all outstanding civil claims we have against you. Despite the severity of your actions, Utherverse wants to earn its money on the success of its software platform, and not as a result of litigation. The damage caused to Utherverse as a result of instability in its Rays system caused by your software must end. Additionally, the potential for denial of service damage caused by your distribution to your many co-conspirators of automated access software must be limited. Accordingly, Utherverse is willing to settle this matter under the following terms:

(1)   You agree to immediately send Utherverse a copy of each version of the source code and compiled executables for your autorayter software, and to assign all rights, including copyrights, that you may have in such code and executables to Utherverse;

(2)   You agree to immediately cease distribution of the autorayter software, to destroy all copies of such software in your possession, and to take all steps within your power to cause your co-conspirators to take the same measures;

(3)   You agree that you shall never again distribute, write, aid, abet, or otherwise facilitate in the creation or distribution of any software, instructions, or other mechanism that automates earning virtual points or currency or that violates any of the Utherverse terms of service, and that any violation of such prohibition by you will be subject to liquidated damages of $500,000, plus $10 for each time such software, instructions or other mechanism is used;

(4)   You agree to send Utherverse a full copy of any documents related in any manner to Utherverse, its Rays system, or the autorayter software. This includes, without limitation, full log files for any downloads of the software together with all information received by you as part of the statistical collection mentioned on your web site; and

(5)   You agree to keep the terms of the settlement confidential, except that nothing in the settlement shall limit the right or ability of Utherverse to report any crimes, or cooperate in their prosecution.

If the foregoing is acceptable to you, we will draft an appropriate settlement agreement. If we are unable to reach a settlement with you by close of business on February 20, 2009, this offer is withdrawn and the matter will be sent to litigation. In addition, the autorayter software must be immediately taken down, and if the autorayter software is still available for download on February 13, 2009, this offer is withdrawn and litigation will be filed without further notice.

Please be advised that you are obligated to preserve all evidence with regard to this civil matter, including without limitation access logs and the identities of those co-conspirators utilizing your software. In addition to preserving documents relating to any civil liability you may have, we may pursue civil claims against other users of the autorayter software. Accordingly, be advised that we will pursue any remedies available to us should you fail to preserve all evidence relating to the potential civil liability of these co-conspirators.

Your response to this matter should be sent by electronic mail to legal@utherverse.com, by overnight mail to Utherverse Legal Dept., 203-1040 Hamilton St., Vancouver, BC V6B 2R9, or by facsimile to 778-330-6809 and marked Attn: Utherverse Legal Dept.

This letter is sent without waiver of, or prejudice to, any of Utherverse's rights or remedies, all of which are expressly reserved.