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Our File Number: OXWE-083784

October 13, 2009

VIA FACSIMILE & U.S. MAIL
(310) 820-4414

Sandor T. Boxer, Esq.
Law Offices of Sandor T. Boxer
12400 Wilshire Boulevard, Suite 1300
Los Angeles, CA 90025-1030

Re: Cease and Desist

Dear Mr. Boxer:

We represent Trilogy Financial Services, Inc. and Jeffrey R. Motske. Although you represented Paula Lynch in a prior related matter, we are not certain whether you will be representing Ms. Lynch in the present matter which is why we are copying Ms. Lynch on this letter.

As you may recall, on October 31, 2003, your client, Ms. Lynch, entered into a Stipulation for Entry of Judgment with our clients, Trilogy Financial Services, Inc. and Jeffrey R. Motske. (A copy of the Stipulation is attached hereto as Exhibit 1.) Pursuant to the Stipulation, the Superior Court entered a Permanent Injunction and Judgment Thereon. (A copy of the foregoing injunction is attached hereto as Exhibit 2.) Paragraph "a" of the injunction permanently restrains Ms. Lynch from, *inter alia*:

"(i) undertaking unlawful actions toward Trilogy, its known employees, agents, associates, and Motske; (ii) making untruthful statements about Trilogy, its known employees, agents, associates and Motske; and (iii) placing Trilogy, its known employees, agents, associates and Motske in a false light before the public eye."

Paragraph "d" of the injunction further requires Ms. Lynch "[t]o cooperate in removing any material already in existence on the internet, or elsewhere, which would violate the terms of this Judgment."

It has come our attention that Ms. Lynch has once again been posting untruthful statements about Trilogy on the Internet in direct violation of the injunction.

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Sandor T. Boxer, Esq.
October 13, 2009
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Ms. Lynch's website, <http://www.armydiller.com/financial-scam/index.htm>, describes at great length an allegedly illegal multi-level marketing scam in the financial services industry, detailing the practices of "scammer" companies "who deliberately deceive their work force for profit." (See "How The Scam Works" page, attached hereto as Exhibit 4.) Ms. Lynch identifies Trilogy Financial Services as one such "scammer firm." (See "Introduction" page, attached hereto as Exhibit 3.) All such statements about Trilogy are false, and more importantly, specifically prohibited by the injunction.

The following examples illustrate just a few of the false and injurious statements made by Ms. Lynch against Trilogy on her website:

- "Needless to say, all the scammers are 100% commission. If they advertise a 'salary' or paid training, it's a *draw against future commissions (a loan)*." (See Exhibit 4.)
- "Even if the firm advertises at trade shows, the recruits pay for it." (See Exhibit 4.)
- "The inexperienced rep is instead set up to fail while the firm profits and hides its tracks." (See "Starting Out: 'If I work hard, I'll make it!'" page, attached hereto as Exhibit 5.)
- "It should also be noted that scammer firms used to deliberately advertise the job as a 'full-time employee' position with a salary (+ commission, usually) with benefits when in fact a) it is a full-commission, non-salaried independent contractor position, usually misclassifying the employee to his detriment; b) any 'salary' is actually a draw, or loan that must be repaid to the firm out of the rep's future earnings; and c) all benefits (and all other 'business' expenses!) are to be borne by the rep, not the firm. There are often criteria for getting benefits that few reps ever meet and maintain, such as a certain level of earnings; benefits are not earned under the usual meaning of 'employee' wherein you obtain them automatically after a certain period of employment." (See Exhibit 5.)
- "They may verbally discourage the rep from obtaining an insurance license once he starts, instead telling him to master securities sales first. . . . these firms may verbally encourage reps without insurance licenses to take along a manager who is licensed to sell insurance products when a client shows a need for it. Since the rep cannot legally earn any commissions from an insurance transaction without an insurance license, the full sale must in reality fall to the manager, even if the manager has verbally agreed to split the commission." (See Exhibit 5.)

These are just some of many statements on Ms. Lynch's website that are false as to Trilogy.

In light of the foregoing, we hereby demand that Ms. Lynch cease and desist her blatant violations of the injunction. Consistent with paragraph "d" of the injunction, we further demand that Ms. Lynch immediately remove any and all references to Trilogy from her website.

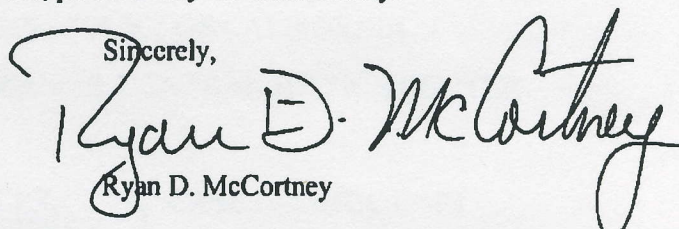
SHEPPARD MULLIN RICHTER & HAMPTON LLP

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Failure to immediately comply will result in us filing an ex parte application for an order to show cause as to why Ms. Lynch should not be held in contempt of the Court for violation of the injunction.

Please respond to me by no later than Friday, October 16, with a clear statement as to whether your client will immediately comply with the demands in this letter. If you will not be representing Ms. Lynch in this matter, please notify me immediately.

Sincerely,

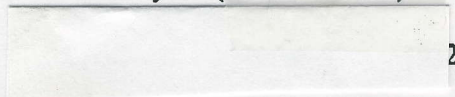


Ryan D. McCortney

for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

W02-WEST:3TARI402258909.2
Attachments

cc: Paula Lynch (w/ attachments)



Jeffrey R. Motske (w/ attachments)

EXHIBIT 1

Paula's Note: I only agreed to this garbage because it was cheapest. Wish I hadn't!

1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
 2 A Limited Liability Partnership
 3 Including Professional Corporations
 4 PAUL F. RAFFERTY, Cal. Bar No. 132266
 5 JOHN E. BOWERBANK, Cal. Bar No. 211566
 6 650 Town Center Drive, 4th Floor
 7 Costa Mesa, California 92626-1925
 8 Telephone: 714-513-5100
 9 Facsimile: 714-513-5130

10 Attorneys for Plaintiffs TRILOGY FINANCIAL
 11 SERVICES, INC.; JEFFREY R. MOTSKÉ

FILED
 SUPERIOR COURT OF CALIFORNIA
 COUNTY OF ORANGE
 CENTRAL JUSTICE CENTER

ALAN SLATER, Clerk
 BY P. CALE

12 SUPERIOR COURT OF CALIFORNIA
 13 COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

14 TRILOGY FINANCIAL SERVICES,
 15 INC., a California corporation; JEFFREY
 16 R. MOTSKÉ, an individual,

17 Plaintiffs,

18 v.

19 PAULA K. LYNCH, an individual; and
 20 DOES 1 through 100, inclusive,

21 Defendants.

CASE NO. 03CC09598

Assigned for All Purposes to:
 Judge Andrew P. Banks
 Department C6

**STIPULATION FOR
 ENTRY OF JUDGMENT**

DATE: October 31, 2003
TIME: 10:00 a.m.
PLACE: Dept. C6

Filing Date: July 28, 2003
Trial Date: None Set

22 On July 28, 2003, Trilogy Financial Services, Inc. and Jeffrey R. Motske
 23 ("Plaintiffs") filed their lawsuit bringing causes of action for libel, slander, negligent
 24 interference with prospective economic relations, intentional interference with prospective
 25 economic relations, intentional infliction of emotional distress; invasion of privacy – false
 26 light, violation of California Business & Professions Code § 17200; and injunctive relief
 27 ("Action") against Paula K. Lynch ("Lynch"). The parties now desire to settle the Action
 28 in the form of this Stipulation.

1 Wherefore, the parties hereby agree and stipulate to the following:

2

3 1. That the Court may sign and enter judgment in the form set forth
4 herein as Exhibit A;

5

6 2. That Plaintiffs shall dismiss their Action without prejudice; and

7

8 3. That each of the parties shall bear their own attorney's fees and costs.

9

Motive? You decide.

10 It is to stipulated:

11

12 Dated:

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16

By

JEFFREY R. MOTSKÉ

18

19

TRILOGY FINANCIAL SERVICES, INC.;

By its President Jeffrey R. Motske

21

22 Dated:

23

24

10 - 23 - 09

25

26

27

28

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10 Attorneys for Plaintiffs TRILOGY FINANCIAL
11 SERVICES, INC.; JEFFREY R. MOTSKÉ

12 SUPERIOR COURT OF CALIFORNIA

13 COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

14 TRILOGY FINANCIAL SERVICES,
15 INC., a California corporation; JEFFREY
16 R. MOTSKÉ, an individual,

17 Plaintiffs,

18 v.

19 PAULA K. LYNCH, an individual; and
20 DOES 1 through 100, inclusive,

21 Defendants.

CASE NO. 03CC09598

Assigned for All Purposes to:
Judge Andrew P. Banks
Department C6

PERMANENT INJUNCTION
AND JUDGMENT THEREON

DATE: October 31, 2003
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22 On July 28, 2003, Trilogy Financial Services, Inc. and Jeffrey R. Motske
23 (collectively "Plaintiffs") filed their lawsuit bringing causes of action for libel, slander,
24 negligent interference with prospective economic relations, intentional interference with
25 prospective economic relations, intentional infliction of emotional distress; invasion of
26 privacy – false light, violation of California Business & Professions Code § 17200; and
27 injunctive relief ("Action") against Paula K. Lynch ("Lynch"). This settlement is being
28

1 reached prior to the filing of a responsive pleading by Lynch. Lynch denies the
2 substantive allegations of the complaint, in general, and specifically the need for a
3 permanent injunction. Nevertheless, in order to arrive at a stipulated judgment and without
4 any admission of liability, the parties to the Action desire to settle the Action and have
5 stipulated to entry of this Permanent Injunction and Judgment Thereon ("Judgment").

6
7 WHEREFORE, judgment shall be entered in favor of Plaintiffs, and against
8 Lynch, in the form of this permanent injunction permanently restraining Lynch from:

9
10 a. Publishing, creating, printing, writing, stating or corresponding or
11 responding to, in any manner and in any forum whatsoever, anything specifically referring
12 to, identifying, or discussing Trilogy, its known employees, agents, associates and Motske
13 until October 1, 2005. However, no expiration of time shall apply to this subparagraph
14 with respect to a permanent injunction restraining Lynch from: (i) undertaking unlawful
15 actions toward Trilogy, its known employees, agents, associates, and Motske; (ii) making
16 untruthful statements about Trilogy, its known employees, agents, associates and Motske;
17 and (iii) placing Trilogy, its known employees, agents, associates and Motske in a false
18 light before the public eye. In the event that a potential employer, employer, legislative
19 agency, judicial agency, or legislative agency ever inquires and/or compels disclosure of
20 the existence of this lawsuit, Lynch shall not be prohibited from disclosing this lawsuit to
21 any such potential employer, employer or agency.

22
23 b. Inviting or conspiring with others to: (i) undertake unlawful actions
24 toward Trilogy, its known employees, agents, associates, and Motske; (ii) make untruthful
25 statements about Trilogy, its known employees, agents, associates and Motske; and (iii)
26 place Trilogy, its known employees, agents, associates and Motske in a false light before
27 the public eye.
28

←
NOR
ANY
FINDING
OF
LIABILITY
BY THE
JUDGE!

1 c. Interfering with any business relationships and goodwill that may
2 exist between Trilogy and its customers;

3
4 d. From visiting, entering or trespassing upon any Trilogy office, or
5 from confronting, harassing, or bothering its employees or lawyers. However, no evidence
6 exists at this time that Lynch has committed any of the acts stated in this subparagraph. As
7 such, the inclusion of this subparagraph should in no way be deemed an admission by
8 Lynch that such acts were committed.

NOR ANY OF THE ACTS
OUTLINED IN THIS ENTIRE
STIPULATION!

9
10 d. To cooperate in removing any material already in existence on the
11 internet, or elsewhere, which would violate the terms of this Judgment.

12
13 The Court shall retain jurisdiction to enforce the terms of the Judgment
14 should Lynch violate any of the actions prohibited above.

15
16 IT IS SO ORDERED:

17 ANDREW P. BANKS

18 The Honorable ~~James M. Brooks~~

19
20
21 Dated: 10-31-09

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27
28 EXHIBIT 3