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May 28, 2008

Via Federal Express

Hartford Casualty Insurance Company
Hartford Plaza
Hartford, CT 06115

Re: Policy Number 01 SBA RD6021 DW

Ladies and Gentlemen:

We are attorneys for Pearson Education, Inc., John Wiley & Sons, Inc., Cengage Learning Inc. and The McGraw-Hill Companies, Inc. (collectively, the "Publishers"). We are writing to demand that you satisfy a judgment entered against your insured. Here are the details.

Hartford Casualty Insurance Company has issued policy number 01 SBA RD6021 DW to The Textbook Guy LLC. This policy provides insurance for, among other things, "advertising injury."

The Publishers have obtained a judgment by consent against The Textbook Guy LLC, and others, in an action entitled Pearson Education, Inc. et al. v. The Textbook Guy LLC et al., 07 Civ. 7890 (PKC). A copy is enclosed. The basis for the judgment was statutory damages for copyright infringement, which arose out of the advertising activities of The Textbook Guy LLC. The judgment required \$76,000 of payments over time, and provided that the Publishers could recover their attorney's fees for any collection efforts, as a matter of right.

After making the initial \$25,000 payment due under the judgment, the defendants, including The Textbook Guy LLC, defaulted on making the remaining payments. By

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letter dated April 16, 2008, a copy of which is enclosed, the Publishers accelerated the remaining \$51,000 due under the judgment.

The Publishers then moved by order to show cause against an individual defendant in the action. In response, the individual defendant filed a bankruptcy petition on April 28, 2008.

As a result of the judgment that provided that the Publishers could recover their reasonable attorneys' fees as a matter of right, and the attorneys' fees that the publishers have incurred, there is now due and owing under the judgment sum of at least \$58,832. The Textbook Guy LLC has declined to pay any additional amounts. Upon information and belief, The Textbook Guy is insolvent. Accordingly, the Publishers demand that you pay that amount under the above policy to satisfy the judgment. If this amount is not paid within 10 days of the date of this letter, this amount will increase as our continued collection efforts continue.

As you probably know, § 3420(a)(2) of the New York State Insurance law authorizes the Publishers to commence a direct action against an insurer to recover the amounts due under the judgment. In addition, the policy provides in Section E. 1. "Bankruptcy or insolvency of the insured or of the insured's estate will nor relieve us of our obligations under this Coverage Part."

Please feel free to contact me with any questions.

Very truly yours,

William Dunnegan

Cc: Ms. Diane DiFranco
The Hartford Insurance Company
One Hollow Lane, Suite 201
Lake Success, NY 11042
(Your file no. 08-006)