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May 3, 2011

VIA EMAIL (and PACER)

Hon. Judge W. Royal Furgeson, Jr.
United States District Judge
1100 Commerce Street, Room 1359
Dallas, Texas 75242-1001

Re: 3-09CV0988-F *In Re Jeff Baron Receivership*

Your Honor,

We would like to move forward to arrange a lender to provide money to end the receivership. The first question prospective lenders have asked is exactly how much money will be necessary.

Obviously, the lower the amount required, the more possible such funding will be for us. Only your honor can answer the question as to the amount of funding your honor would require to end the receivership and release the assets currently being held in receivership.

Your honor's receiver has essentially used up Jeff's funds, left Jeff with an unpaid tax bill, and has encouraged rather than with a cooperative spirit discouraged, a long list of claims that are now pending against the companies. It appears that the receiver has not paid the annual registration fees nor maintained compliance with the DomainJamboree.com company in receivership. I am trying to work with the receiver and will continue to do so, but even the smallest request turns into piles of paperwork and allegations against Jeff. The receiver has still not provided Jeff the funding to buy a car. I am just reporting where things sit. If I file any motion the receiver will just yell that we are filing another motion as vexatious litigants and come up with 15 reasons why it is all Jeff's fault.

I believe we can in a short time borrow up to a million dollars against the current receivership assets. Jeff has \$630,000.00 in escrow in the bankruptcy court. I can only hope that combined figure, or a lower figure, will be sufficient.

Hon. Judge W. Royal Furgeson, Jr.
May 3, 2011
Page 2

We hope your honor will find both our legal arguments and concerns meritorious and not use the 'claim' submission to adjudicate claims without allowing for due process. Due process is not merely window dressing, there is a good reason for it.

Justice is not done in haste. I understand your honor's initial inclination, if a group of lawyers comes forward and complains their client has abused them and not paid his bill, in the absence of due process, it is easy to believe them. I think at this point we have present enough to cause pause.

Mr. Lyon is a perfect example. There is no question his rate was \$40.00 per hour—the newly discovered evidence proves he said so himself. There is no question he was paid at that rate—his billing shows that. While it is true that Mr. Lyon was not paid at \$300.00 per hour, and he wants that rate now, that is not the rate he agreed to or billed at when he was working with Jeff. When Lyon testified before your honor, Mr. Lyon did not level with the Court. He led your honor to believe he had worked at an agreed billing rate and wasn't paid thousands of dollars. Your honor found Mr. Lyon to be completely credible and your honor believed him. Your honor did not have the benefit of a qualified Federal civil trial attorney presenting a case based on full and thorough discovery. To reach a just result, the process of litigation developed in our country over hundreds of years should be respected. I believe deeply in our system and in juries. When we try a shortcut to justice we get short cut, we don't get justice.

However your honor rules on the pending issues, we are moving forward with seeking financing, and look to your honor to let us know how much is needed so we can proceed. We have no problem putting up money to be used as security to pay any attorney who recovers against Jeff either at trial or in arbitration.

Very truly yours,

/s/ Gary N. Schepps
Gary N. Schepps

PS: Please pay Mr. Chesnin. He is listed as a 'claimant'. However, he has no pre-receivership claim. He was fired by the receiver, and the receiver has refused to pay him although we have requested many times. It would also help me do my job if your honor would release some funds for the work I have done as Jeff's trial counsel.