

RMW/LD

7th October 1993

Shell UK Limited,
Downstream Oil,
Shell-Mex House,
Strand,
London, WC2R 0DX

For the attention David Varney

Dear Sirs,

Our Clients : Don Marketing UK Limited
Re: Nintendo Promotion

We have been consulted by our above named Client Company in connection with correspondence which they have had with you recently, culminating in your letter of the 20th July 1993 and copies of which we have seen.

You should be aware that our Clients have now received the benefit of Counsel's advice which is that they have a clear claim against your Company for damages for breach of confidence and/or breach of contract.

You should also be aware that our Clients have clear evidence that crucial details of the information given in your letter of 12th July 1993, based on information given to you by Mr. Lazenby, are untrue.

Counsel has settled proceedings for issue and service and, for your information, we enclose a copy of the draft Statement of Claim which, as you will see, sets out the nature of our Clients' claims in detail.

We should however point out that, as we believe is clear from the entirety of our Clients' previous correspondence, they have no wish or desire to become embroiled in litigation with your Company. Their only concern is to ensure that their claim is dealt with fairly and in a manner which they are entitled to expect after such a lengthy period of mutually satisfactory trading relations.

Our Clients are prepared for their claim to be resolved by any reasonable means including an agreed form of mediation. We

Shell UK Limited

would be happy to discuss an appropriate form of mediation with you.

We should however emphasise that the one thing our Clients are not prepared to do is abandon their claim altogether. We trust that this letter has given sufficient earnest of their intent to ensure satisfaction of their clear legal and moral rights.

We therefore look forward to hearing from you within 7 days of the date of this letter.

If we do not do so proceedings are inevitable and you should notify us of the name and address of Solicitors who will accept service on your behalf.

Yours faithfully,


ROYDS TREADWELL

Encl.

RMW1/015
07.10.93

Shell U.K. Limited
Legal Division

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our ref UKLG/2

your ref RMW/LD

date 13 October 1993

WITHOUT PREJUDICE

Dear Sirs

YOUR CLIENTS: DON MARKETING UK LIMITED
NINTENDO PROMOTION

We refer to your letter dated 7 October 1993 addressed to Mr David Varney.

Our Clients do not admit your Clients' claim nor at this stage do they wish to comment further on it. However, my Clients would like to have a "without prejudice" meeting with your Clients with a view to settling this matter.

If that is acceptable, it is suggested that Mr David Watson of our Retail Marketing Department contacts Mr John Donovan of your Client Company.

Yours faithfully

ES Al

pp I K R Brown
Senior Legal Adviser

cc: Mr D Pirrett UORM
Mr D Watson UORM/13

DON
MARKETING

Promotional Games & Contests

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SJD/JAD/H90b

Mr David Watson
Marketing Communications Manager
Shell U.K. Limited
Downstream Oil
Shell-Mex House
Strand
London WC2R ODX

1st November 1993

One Page Fax To:
071 257 3920

Dear David

RE: SHELL NINTENDO PROMOTION

Although our claim has already been spelt-out quite exhaustively, in view of our last conversation on the matter, I thought it might assist if I summarised the situation as we see it, in advance of further telephone discussion.

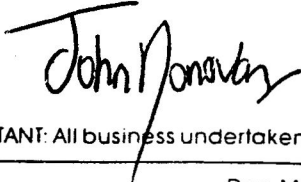
In June 1992 we presented a Big Idea to Shell under terms of Strict Confidentiality and our Standard Trading Conditions. The Big Idea being a Nintendo themed promotional game using a scratch-off technique to generate Nintendo product prizes, with Gameboys as a principal prize. We made it clear that the visual we supplied provided one possible execution of the Big Idea. We advised Andrew that permission had been obtained in advance from Nintendo to offer the promotion to Shell. We showed him presentation materials provided by Nintendo.

Andrew closed the presentation by saying he would discuss it with colleagues and that it would be considered for research. I spoke to him regularly to check on progress. I sent him a fax in late February of this year again recommending that it be researched. Andrew endorsed the fax promising he would let me know when there was any further progress and faxed it back to me. As far as we knew, the situation remained on that basis right up until the day the promotion was launched.

The fact is that our proposal was retained under consideration for the whole period. If Andrew had turned it down, we would have been free to offer it to another petrol company.

The response letter rejecting our claim, signed by Mr Varney, was based on fundamentally incorrect information regarding Andrew's involvement in the promotion. As a consequence, our relationship with Shell has been damaged beyond repair and we have received no payment or credit for the Big Idea we proposed, a derivative of which was used by Shell.

Yours sincerely



DON
MARKETING

IMPORTANT: All business undertaken in accordance with our Trading Conditions, a copy of which may be obtained on request