



The O'Hara Group & Associates, PLLC  
Attorneys and Counselors at Law

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CONFIDENTIAL LEGAL DOCUMENT

March 11, 2005

SENT VIA E-MAIL, FAX AND  
CERTIFIED MAIL ON SAME DATE  
E-MAIL: [nsalzman@nxivm.com](mailto:nsalzman@nxivm.com)  
FAX #(518) 452-1255

Nancy Salzman  
President  
NXIVM Corporation d/b/a Executive Success Programs  
455 New Karner Road  
Albany, NY 12205

RE: Termination of Services

Dear Ms. Salzman:

I am writing to confirm that The O'Hara Group & Associates, PLLC (TOGA/PLLC) has decided to terminate its representation of you, your various companies<sup>1</sup>, and various individuals associated with those companies<sup>2</sup>. Except as indicated otherwise herein, that termination is effective immediately<sup>3</sup>.

Although I had expected that we would be able to conclude our professional relationship without any negative interactions, your ongoing allegations of malfeasance and misfeasance have made it clear that those expectations will not be realized. Moreover, after conferring with my legal counsel – and with my law firm's insurers – I have concluded that I must send you this written notification concerning some of the reasons for the above-referenced termination decision.

During the course of providing legal services to you, your various companies and various individuals associated with those companies<sup>4</sup>, I became aware of – and informed you about – a variety of

<sup>1</sup> This includes, but is not necessarily limited to, the following companies: Buyers Associate, Inc. in Delaware; CSC III, LLC in Delaware; Elltemarketing Professionals, Inc. in Delaware; Executive Housing & Properties, Inc. in Delaware; Executive Housing & Properties, Inc. in New York; First Principles Incorporated in Delaware; NXIVM, LLC in New York; NXIVM Corporation in Delaware; NXIVM Corporation in New York; NXIVM Properties, LLC in New York; PSCI, LLC in Delaware; The Art of Movement, Inc. in Delaware; and The Think Fund, LLC in Nevada.

<sup>2</sup> This includes, but is not necessarily limited to, the following individuals: Barbara J. Bouchev, Clare Bronfman, Sara Bronfman, Pam Cafritz, Becky Freeman, Loreta Garza, Barbara Jeska, Kristin Keffe, Dee Dee Mitzen, Keith Ranieri, Kathy Russell and Michael Sutton.

<sup>3</sup> Based upon my prior E-mails – and based our prior discussions – you have been aware of my termination decision since sometime in early February. As a result, I do not believe that you, your various companies and/or various individuals associated with those companies will be adversely affected by the immediacy of this announcement (Note: Please advise me, in writing, if there is any matter – or individual – that will be adversely affected as a result of the timing of this decision).

<sup>4</sup> Notwithstanding your oral and written statements to the contrary, the reality is that I never "... worked for you". In this regard, all of the applicable evidence clearly indicates that TOGA/PLLC simply supplied a variety of legal services to you, your various companies and/or various individuals associated with those companies.

- Page 1 of 2 -

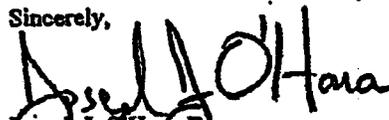
activities that I believe to be illegal (Note: Although some of those activities admittedly involved "grey areas" of the law, others involved, in my professional judgment, clear violations of a variety of civil and criminal statutes and regulations). Notwithstanding my advice to the contrary, you, your various companies and various individuals associated with those companies have continued to engage in those activities – and, in several instances, have even expanded same.

Although, you never executed any of the "Professional Services Agreements" that I submitted to you, I believe that all of TOGA's work to date is entitled to all of the protections that are associated with "Attorney/Client Privilege"<sup>3</sup>. In this regard, however, please be advised that this privilege only applies to work that was undertaken – and/or related discussions that occurred – during the period from July 1, 2004 through this date.

During the period between now and April 30, 2005, I will review all of my documents, files, etc. that concern you, your various companies and/or various individuals associated with those companies. Thereafter, I will retain copies of any materials that I deem to be necessary in order to be able to defend myself against your above-referenced claims – and return the originals of those materials to you.

Please feel free to contact me if you have any questions and/or if I can provide you with any additional information concerning this matter.

Sincerely,

  
Joseph J. O'Hara, Esq.  
Managing Partner

cc: Stephen R. Coffey, Esq.

PS/ As a matter of professional courtesy, I have not yet disclosed the above-referenced termination action to any of the attorneys, consultants, etc. that I have secured on behalf of you, your various companies and/or various individuals associated with those companies. In this regard, however, I will, as necessary and appropriate, make such disclosures in the future.

PSS/ Provided that my current and/or future "Invoices" are paid on a timely basis – and provided that you forward to me the various "pre-payments" that I previously requested – I will also not close out any of the professional services accounts that I have previously established on behalf of you, your various companies and/or various individuals associated with those entities until April 30, 2005 (Note: That delay should afford you adequate time to establish new accounts with each such entity). If, however, those "Invoices" are not paid on a timely basis – and/or those "pre-payments" are not received on or before March 18, 2005 – I will immediately cancel each such account.

<sup>3</sup> You also never executed any of the various "Letters-of-Agreement" that I provided to you with respect to the consultant services that were previously provided by The O'Hara Group & Associates, LLC (TOGA/LLC) to you, your various companies and/or various individuals associated with those companies. In this regard, TOGA/LLC provided those services to you, your various companies and/or various individuals associated with those companies during the period from October 1, 2003 through June 30, 2004.