

VIA E-MAIL

August 9, 2018

Robert Tauler
Matthew Smith
Leticia Kimble
Tauler|Smith LLP
626 Wilshire Blvd. Suite 510
Los Angeles, CA 90017

RE: Your shakedown racket

Mr. Tauler, Mr. Smith, and Ms. Kimble:

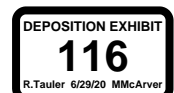
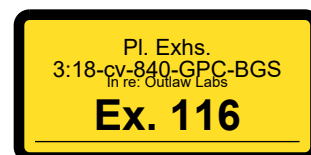
We represent an El Cajon business called San Diego Cash & Carry in other litigation. Our client has recently brought to our attention a scam that your law firm and its soon-to-be codefendants are perpetrating on small retail stores across California. We write to offer you a brief window in which you can dismiss all of the pending litigation and cease this fraudulent practice. Your alternative is that we will bring litigation that will put an end to this little scheme. We expect that the litigation will also eliminate the scheme's participants as going concerns.

Given that you are the perpetrators of the racket, we won't bore you with a recitation of its details. From appearances, none of you is senior enough to remember it, but there was another upstart firm in California several years ago that undertook a similar racket, called the Trevor Law Group. We encourage you to research how that turned out for the perpetrators.

We have attached two samples of the baseless demand letters by which you perpetrate this scheme. It is ironic that in those letters you attempt to extort these small business owners with threats of RICO liability, while exposing your own. Of course there will be zero proof in any of these extortionate cases of either (1) the store owners' use of the U.S. mail regarding these penile enhancements, or (2) their knowing intent to defraud anyone. In contrast, Tauler | Smith's liability (along with that of the other members of its association-in-fact enterprise) appears on the face of the letters themselves.

The letters are chock-full of misrepresentations about these small businesses' potential liability, and the "illegality" of selling the products you identify. You have further exposed yourselves and the members of your enterprise by—despite Ms. Kimble's self-professed status as a "RICO expert"—explicitly demanding payment based on those false statements.

From our understanding, the scheme was further perpetrated by you and your colleagues, by following up on the letters with phone calls to the recipients, offering even further



reduced “settlements” (i.e., committing related acts of “wire fraud” in furtherance of the scheme).

Your demand letters and the ensuing shake-down calls constitute a “scheme to defraud” under controlling authority. *See United States v. Woods*, 335 F.3d 993, 997-98 (9th Cir. 2003). And because multiple such instances of mail fraud have been committed through an association-in-fact enterprise consisting of yourselves, your “client,” and the other law firms the “client” has enlisted to perform the same role in other states, you are liable under RICO. Based on our review of online materials and input from our client, we expect the evidence will show that “Outlaw Laboratory” was created purely as a front for this racket, for the purpose of launching and advancing this litigation scheme.

If you had been expecting to rely on the so-called “litigation privilege” to protect this shake-down, your hopes were misplaced. *See Giles v. Phelan, Hallinan & Schmieg, L.L.P.*, No. CIV.A. 11-6239 JBS/K, 2013 WL 2444036, at *4 (D.N.J. June 4, 2013) (“California district courts have held that the RICO statute preempts the state litigation privilege. *See, e.g., Johnson v. JP Morgan Chase Bank DBA Chase Manhattan*, 536 F.Supp.2d 1207, 1213 (E.D. Cal.2008) (“federal claims [including RICO claim] preempt the litigation privilege”); *Menjivar v. Trophy Props., IV DE, LLC*, Civ. 06-3086, 2006 WL 2884396, at *15 (N.D. Cal. Oct. 10, 2006) (no authority exists to apply state litigation privilege to federal RICO claims).”). And if you take a step back and think about your business plan—shaking down small store owners (most of whom are immigrants with limited English skills)—you will realize that there is no chance that a Central District judge or a jury is going to save you, despite your wonderful resumes. Indeed, your position of privilege in the community will probably be a disadvantage, since no one likes lawyers from Harvard who shake down small businesses.

You appear to have run a profitable racket over the last several months but the jig is up. If you immediately abandon further pursuit of this scheme and dismiss all of the enterprise’s pending litigation, our firm will cease investigating these claims, and you can go on your way. If not, we expect that Tauler | Smith will be held jointly and severally liable with the fellow members of its enterprise to restore the “settlements” that the enterprise has fraudulently received to date, and will be required to pay twice that amount again as damages, as well as the attorneys’ fees we incur in rooting out this despicable use of your legal training, which seems to have skipped over “legal ethics.”

We do not want any of your ill-gotten gains, nor does our client. This is not a stick up. Rather, as members of the bar with a deep concern for the integrity of this profession, we just want you to stop defrauding hard-working American businesses. That being said, if you test us, we will take all the money that you and the other members of the enterprise have earned over the last four years, and distribute it to your victims, less our reasonable fee.



4 Embarcadero Center, Suite 1400
San Francisco, CA 94111
Phone: (415) 766 7451
Fax: (415) 737 0642

Feel free to respond or don't. In the meantime, please give notice to your insurer, and take notice of your obligation to preserve all documents related in any way to "Outlaw Laboratory."

Sincerely,

Mark Poe