

With respect to the Lam Cloud matter, we'd like to supplement our earlier response by adding:

A: As evident from the docket, unlike the remaining defendants, Bofl and QuickBridge settled the Lam Cloud matter prior to filing an answer to the Adversary Complaint. Moreover, as the docket confirms, no counsel ever entered an appearance on behalf of Bofl. The Court took no action with respect to QuickBridge or Bofl other than entering a Consent Order that was drafted by the parties. Therefore, there is no "decision" on which to comment. In addition, while we do not comment on agreements with specific counterparties, you are likely aware that bank agreements generally require the counterparty to indemnify the bank against a broad range of liabilities and claims. You may also be aware that \$30,000, the amount of the Lam Cloud settlement payment, would be but a fraction of the legal fees that a defendant would likely incur to contest an adversary proceeding in bankruptcy court even if such defendant were to ultimately prevail on the merits. Finally, we draw your attention to the Consent Order, which clearly states that "the Defendants have informally denied any liability for and asserted various defenses to the allegations set forth in the Complaint including that the Loan was made by Bofl, a federally chartered financial institution, and is exempt from state usury prohibitions regardless of its subsequent assignment to Quick Bridge."